BetMakers Technology Group Ltd
Appendix 4E
Preliminary final report

1. Company details

Name of entity:	BetMakers Technology Group Ltd
ABN:	21 164 521 395
Reporting period:	For the year ended 30 June 2020
Previous period:	For the year ended 30 June 2019

2. Results for announcement to the market

The group has adopted Accounting Standard AASB 16 'Leases' for the year ended 30 June 2020 using the modified retrospective approach and as such the comparatives have not been restated.

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Revenues from ordinary activities	up	39.1%	to	8,583,159
Loss from ordinary activities after tax attributable to the owners of BetMakers Technology Group Ltd	down	40.6%	to	(2,140,551)
Loss for the year attributable to the owners of BetMakers Technology Group Ltd	down	40.6%	to	(2,140,551)

Dividends
There were no dividends paid, recommended or declared during the current financial period.

Comments
The loss for the group after providing for income tax amounted to $2,140,551 (30 June 2019: $3,604,757).

AASB 16 'Leases' had no significant impact on the current period. The current loss before income tax expense was increased by $36,467. This included an increased depreciation and amortisation expense of $141,545 and increased finance costs of $53,004, offset by a decrease in occupancy expense of $158,082. As at 30 June 2020, net current assets were reduced by $112,727 (attributable to current lease liabilities) and net assets were reduced by $38,859 (attributable to right-of-use assets and lease liabilities).

The COVID-19 pandemic has had minimal financial impact on the group up to 30 June 2020. Staff adapted well to alternate working arrangements, and whilst sport and racing was disrupted globally, limited racing content has continued throughout the year. This has meant that the group had a continued role to play in delivering its services to wagering operators. BetMakers' clients have also continued to operate throughout the year, and as such, BetMakers has seen no noticeable impact on the recoverability of receivables as a result of COVID-19.

Further information on the 'Review of operations' is detailed in the Directors' report and Chief Executive Officer's report which is part of the Annual Report.

3. Net tangible assets

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary security	7.09	(0.60)

4. Control gained over entities

Not applicable.

5. Loss of control over entities

Not applicable.

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6. Details of associates and joint venture entities

Not applicable.

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7. Foreign entities

Details of origin of accounting standards used in compiling the report:

Not applicable.

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8. Audit qualification or review

Details of audit/review dispute or qualification (if any):

The financial statements have been audited and an unqualified opinion has been issued.

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9. Attachments

Details of attachments (if any):

The Annual Report of BetMakers Technology Group Ltd for the year ended 30 June 2020 is attached.

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10. Signed

As authorised by the Board of Directors

Signed ____________________________ Date: 25 August 2020

Todd Buckingham
Director
Newcastle

BetMakers Technology Group Ltd

ABN 21 164 521 395

Annual Report - 30 June 2020

Directors	Nicholas Chan - Chairman Todd Buckingham Simon Dulhunty
Company secretary	Charly Duffy
Notice of annual general meeting	The details of the annual general meeting of BetMakers Technology Group Ltd are: 22 Lambton Road Broadmeadow, NSW 2292 Tuesday, 24 November 2020 at 11:00 a.m. (AEDT)
Registered office	22 Lambton Road Broadmeadow, NSW 2292 Head office telephone: (02) 4957 4704
Share register	Computershare Investor Services Pty Limited Level 4 60 Carrington Street Sydney, NSW 2000 Share registry telephone: 1300 787 272
Auditor	PKF(NS) Audit & Assurance Limited Partnership 755 Hunter Street Newcastle West, NSW 2302
Solicitors	Coghlan Duffy & Co Level 42, Rialto South Tower 525 Collins Street Melbourne, VIC 3000
Stock exchange listing	BetMakers Technology Group Ltd shares are listed on the Australian Securities Exchange (ASX code: BET)
Website	http://investors.thebetmakers.com
Corporate Governance Statement	The directors and management are committed to conducting the business of BetMakers Technology Group Ltd in an ethical manner and in accordance with the highest standards of corporate governance. BetMakers Technology Group Ltd has adopted and has substantially complied with the ASX Corporate Governance Principles and Recommendations (Third Edition) ('Recommendations') to the extent appropriate to the size and nature of its operations. The group's Corporate Governance Statement, which sets out the corporate governance practices that were in operation during the financial year and identifies and explains any Recommendations that have not been followed, and the ASX Appendix 4G are released to the ASX on the same day the Annual Report is released. The Corporate Governance Statement can be found at http://investors.thebetmakers.com/corporate-governance/

To my fellow shareholders,

I am pleased to update you on our progress in FY2020.

The 12-month reporting period has seen significant growth for BetMakers. Highlighting this growth further, are June 2020 revenues, having an annualised run rate of almost $14million.

The Company has consolidated its position as a core data and technology partner to the Global racing industry – for racing bodies and wagering operators - and we have seen growing demand for our digital products and services.

The board, management and staff remain mindful that this has been a very difficult period for many people around the world during the COVID-19 pandemic and there have been unprecedented challenges.

I would also like to thank our own team at BetMakers where employees have demonstrated exceptional service, going above and beyond during this period to ensure our customers have received uninterrupted delivery of our products and services.

In the FY2019 annual report I noted that during FY2020 BetMakers would look to scale its extensive product and service offerings while also intending to launch new platforms into both domestic and global markets.

It is pleasing to report that we have achieved many of these objectives; some of the highlights of the year include:

- Growing annualised revenues to almost $14 million – from a base of approximately $0.5 million a month in July 2019 – and strongly finishing the year with June 2020 revenues more than $1.15 million.

- Expanding our international presence – as an established core partner to the Australian racing industry, we have made significant progress in establishing ourselves as the global leader in racing data and technology. This is reflected in our global deals with GVC and William Hill in the UK, as well as push into the US market including our partnership with U.S. racetrack Monmouth Park to deliver Fixed Odds racing in the state of New Jersey, and distribution deals with numerous other tracks across the US market. We see these as particularly exciting transactions as it positions the Company well to capitalise on the North American racing opportunity.

- Driving shareholder value and expanding our shareholder base – since the acquisitions of DynamicOdds and Global Betting Services during 2018, we have worked hard to deliver on our goals and drive shareholder value. This is reflected in our share price growth of 900%+ (from $0.045 at 30 June 2019, to $0.425 at 30 June 2020) and is further underpinned by our successful capital raise in June 2020, at which time the Company raised $35 million and welcomed a number of large institutional investors to our share register.

- Growing our customer and product base – we are now delivering more data and technology products to more customers than ever before. Our customer growth is reflective of our position as a global leader in the racing sector, and our product expansion is driven by our commitment to understand and deliver what our customers want.

One of our key focus areas for FY2021 is to continue to advance our position in the U.S. market; as this market opens on the back of sports betting, the company is well positioned to support the growth of the U.S. wagering market. We remain very confident about the potential of the U.S. racing market to deliver material growth for BetMakers.

One of the key observations in starting FY2021 is that our more recent product offerings such as Managed Trading Services, Platforms and Global Racing Network are seeing increased customer demand in the market. With these products going to market recently, it allows us to explore further opportunities, domestically within Australia and Internationally.

I am very excited about the current position of the Company with many potential short-term and long-term opportunities (both organic and inorganic) and a strong balance sheet and shareholder base to support the execution of our strategy.

Finally, I would like to take this opportunity to thank my fellow directors and once again thank all of our shareholders for your support. We look forward to delivering another strong year for our company.

Sincerely

Todd Buckingham
CEO - BetMakers Technology Group Ltd
ASX: BET

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the "group") consisting of BetMakers Technology Group Ltd (referred to hereafter as the "company", "BET" or '"parent entity") and the entities it controlled at the end of, or during, the year ended 30 June 2020.

Directors
The following persons were directors of BetMakers Technology Group Ltd during the whole of the financial year and up to the date of this report, unless otherwise stated:

Nicholas Chan - Chairman
Todd Buckingham
Simon Dulhunty

Principal activities
The group's principal activities during the financial year were the development and provision of data and analytic products for the B2B wagering market and the production and distribution of racing content.

Dividends
There were no dividends paid, recommended or declared during the current or previous financial year.

Review of operations
The loss for the group after providing for income tax amounted to $2,140,551 (30 June 2019: $3,604,757).

Excluding depreciation and amortisation, income tax benefit and financing costs, the group's result was a surplus of $209,034. This surplus includes a reversal of loan impairment of $259,472 and share based payment expense of $885,026.

As at 30 June 2020 the group had a cash balance of $31,624,870 and nil debt.

AASB 16 'Leases' had no significant impact on the current period. The current loss before income tax expense was increased by $36,467. This included an increased depreciation and amortisation expense of $141,545 and increased finance costs of $53,004, offset by a decrease in occupancy expense of $158,082. As at 30 June 2020, net current assets were reduced by $112,727 (attributable to current lease liabilities) and net assets were reduced by $38,859 (attributable to right-of-use assets and lease liabilities).

The COVID-19 pandemic has had minimal financial impact on the group up to 30 June 2020. Staff adapted well to alternate working arrangements, and whilst sport and racing was disrupted globally, limited racing content has continued throughout the year. This has meant that the group had a continued role to play in delivering its services to wagering operators. BetMakers' clients have also continued to operate throughout the year, and as such, BetMakers has seen no noticeable impact on the recoverability of its receivables as a result of COVID-19.

Significant changes in the state of affairs
The consideration for the acquisition of DynamicOdds and Global Betting Services contained a Performance Payment which was contingent upon the Earnings Before Interest and Tax ("EBIT") performance of both entities. During the year, both entities met the EBIT hurdles required for a $3,000,000 Performance Payment due to the vendors of each company. On 31 October 2019, the company met its total Performance Payment obligation through the issuance of 41,095,890 ordinary shares at a price of $0.146 per share.

On 7 November 2019 the company issued 18,904,110 shares to existing shareholders at a price of $0.146 per share, raising $2,760,000 in cash.

On 5 February 2020, the company announced the expansion of the business into the United States. The group through its subsidiary BetMakers DNA Pty Ltd ('BDNA'), has signed a 10-year Agreement with Darby Development LLC, the operator of Monmouth Park, and New Jersey Thoroughbred Horsemen Association to deliver and manage Fixed Odds horse racing into New Jersey along with exclusive distribution of Monmouth Park racing content throughout other parts of the United States and internationally. The company is currently investing in developing and executing on this agreement.

On 16 June 2020 the company completed the issue and allotment of 94,594,595 fully paid ordinary shares at $0.37 per share, and raised $35,000,000 in cash. The funds were used to pay the final instalments relating to the company's acquisitions of the DynamicOdds and Global Betting Services businesses ($4,000,000 in total), and will also fund the company's growth initiatives, including its expansion in the U.S. market.

There were no other significant changes in the state of affairs of the group during the financial year.

Matters subsequent to the end of the financial year

Whilst the impact of COVID-19 is ongoing, it has had minimal financial impact on the group up to 30 June 2020, and it is not practicable to estimate the potential impact, positive or negative, after the reporting date. COVID-19 has already had a significant impact on global racing with the temporary suspension of many racing jurisdictions. As long as some global racing continues at any point in time, the group will have a role to play in providing wagering operators a service.

No other matter or circumstance has arisen since 30 June 2020 that has significantly affected, or may significantly affect the group's operations, the results of those operations, or the group's state of affairs in future financial years.

Likely developments and expected results of operations

The group will continue to focus on expanding its current business and operations both domestically and internationally. Management believe that the group continues to be well positioned to generate sustainable long-term growth and value creation.

Environmental regulation

The group is not subject to any significant environmental regulation under Australian Commonwealth or State law.

Information on directors

Name:	Nicholas Chan
Title:	Chairman and Non-Executive Director
Experience and expertise:	Nicholas (Nick) Chan has more than 33 years' experience in media. He has held senior leadership and operational roles with leading Australian media companies. Nick was most recently Group Chief Operating Officer ('COO') at Seven West Media and prior to that, Chief Executive Officer ('CEO') of Pacific Magazines, a subsidiary of Seven West Media, for nine years. He joined Pacific Magazines from Text Media, where he was a CEO. He held a range of senior positions at ACP Publishing including Group Publisher and COO. Nick is a former Chairman of The Magazines Publishers of Australia and CEO of Bauer Media ANZ.
Other current directorships:	None
Former directorships (last 3 years):	None
Special responsibilities:	None
Interests in shares:	407,142 ordinary shares
Interests in options:	5,000,000 options over ordinary shares

Name:	Todd Buckingham
Title:	Managing Director and Chief Executive Officer
Qualifications:	Double Bachelor in teaching and health and physical education
Experience and expertise:	Todd Buckingham has more than 24 years' experience working in the Sports and Wagering industry in Australia. After completing his double Bachelor degree in 2000, he taught secondary education for five years at Hunter Sports High School whilst simultaneously working as a sports manager at a successful sports management company, NSRT. During his time at NSRT, Todd negotiated more than $20 million worth of sporting contracts, culminating in his appointment as Managing Director. As Managing Director of NSRT, Todd's responsibilities included managing the affairs of Rugby League athletes, negotiating contracts, sourcing sponsorships, managing accounting and budgeting affairs, crisis management and media relations. In 2009, he founded 12Follow and in 2010 TopBetta.
Other current directorships:	None
Former directorships (last 3 years):	None
Special responsibilities:	None
Interests in shares:	6,488,808 ordinary shares
Interests in options:	16,667,000 options over ordinary shares (refer to 'Service agreements' section)

Name:	Simon Dulhunty
Title:	Non-Executive Director (Non-independent)
Experience and expertise:	Simon Dulhunty has over 28 years' experience in print and digital media in management and operational roles at the top of metropolitan and regional Australian media, including as an award-winning Editor of The Sun-Herald newspaper in Sydney and General Manager of Fairfax Media's mobile development team responsible for acclaimed iPad apps for The Age, The Sydney Morning Herald and The Australian Financial Review. Simon now runs his own private media consultancy.
Other current directorships:	None
Former directorships (last 3 years):	None
Special responsibilities:	None
Interests in shares:	844,045 ordinary shares
Interests in options:	5,000,000 options over ordinary shares

'Other current directorships' quoted above are current directorships for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

'Former directorships (last 3 years)' quoted above are directorships held in the last 3 years for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

Company secretary
Ms Charly Duffy is a qualified and practising corporate and commercial lawyer with over 11 years' of private practice experience and is the director and principal of cdPlus Corporate Services, a company secretarial and legal services business. Charly brings extensive legal experience to BET, with a particular focus on equity capital markets, mergers and acquisitions, corporate governance, initial public offerings, secondary capital raisings, business and share sale transactions, takeovers, Takeovers Panel proceedings, financing, ASIC and ASX compliance and all aspects of general corporate and commercial law.

Meetings of directors
The number of meetings of the company's Board of Directors ('the Board') held during the year ended 30 June 2020, and the number of meetings attended by each director were:

	Full Board*	
	Attended	Held
Nicholas Chan	14	14
Todd Buckingham	14	14
Simon Dulhunty	14	14

Held: represents the number of meetings held during the time the director held office.

* Upon assessment of the company size and board composition, the Board determined that it would assume the responsibilities of the Nomination and Remuneration Committee and the Audit and Risk Committee.

Remuneration report (audited)
The remuneration report, which has been audited, outlines the Key Management Personnel ('KMP') remuneration arrangements for the group, in accordance with the requirements of the Corporations Act 2001 and its Regulations.

KMP are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the group, directly or indirectly.

The remuneration report is set out under the following main headings:
- Principles used to determine the nature and amount of remuneration
- Details of remuneration
- Service agreements
- Share-based compensation
- Additional information
- Additional disclosures relating to KMP

Principles used to determine the nature and amount of remuneration

The objective of the group's executive reward framework is to ensure reward for performance is competitive and appropriate for the results delivered. The framework aligns executive reward with the achievement of strategic objectives and the creation of value for shareholders, and it is considered to conform to the market best practice for the delivery of reward. The Board of Directors ('the Board') ensures that executive reward satisfies the following key criteria for good reward governance practices:

- competitiveness and reasonableness;
- acceptability to shareholders;
- performance linkage / alignment of executive compensation; and
- transparency.

The Board is responsible for determining and reviewing remuneration arrangements for its directors and executives. The performance of the group depends on the quality of its directors and executives. The remuneration philosophy is to attract, motivate and retain high performance and high quality personnel.

The reward framework is designed to align executive reward to shareholders' interests. The Board have considered that it should seek to enhance shareholders' interests by:

- having economic profit as a core component of plan design;
- focusing on sustained growth in shareholder wealth, consisting of dividends and growth in share price, and delivering constant or increasing return on assets as well as focusing the executive on key non-financial drivers of value; and
- attracting and retaining high calibre executives.

Additionally, the reward framework should seek to enhance executives' interests by:

- rewarding capability and experience;
- reflecting competitive reward for contribution to growth in shareholder wealth; and
- providing a clear structure for earning rewards.

In accordance with best practice corporate governance, the structure of non-executive director and executive director remuneration is separate.

Non-executive directors' remuneration

Fees and payments to non-executive directors reflect the demands and responsibilities of their role. Non-executive directors' fees and payments are reviewed annually by the Board. The Board may, from time to time, receive advice from independent remuneration consultants to ensure non-executive directors' fees and payments are appropriate and in line with the market. The chairman's fees are determined independently to the fees of other non-executive directors based on comparative roles in the external market. The chairman is not present at any discussions relating to the determination of his own remuneration.

ASX listing rules require the aggregate non-executive directors' remuneration be determined periodically by shareholders. The most recent determination was under the Constitution, where the shareholders approved that the aggregate remuneration must not exceed $500,000 per annum.

Executive remuneration

The group aims to reward executives based on their position and responsibility, with a level and mix of remuneration which has both fixed and variable components.

The executive remuneration and reward framework has four components:

- base pay and non-monetary benefits;
- short-term performance incentives;
- share-based payments, such as long-term incentive plans; and
- other remuneration such as superannuation and long service leave.

The combination of these comprises the executive's total remuneration.

Fixed remuneration, consisting of base salary, superannuation and non-monetary benefits, are to be reviewed annually by the Board based on individual and business unit performance, the overall performance of the group and comparable market remuneration.

Executives may receive their fixed remuneration in the form of cash or other fringe benefits (for example motor vehicle benefits) where it does not create any additional costs to the group and provides additional value to the executive.

The long-term incentives plan ('LTIP') program is designed to assist in the reward, retention and motivation of executives and other KMP of the group. Subject to the ASX listing rules and under the terms of the LTIP, the Board may grant options and/or performance rights (options with a zero exercise price) to eligible participants ('awards'). Each award granted represents a right to receive one share once the award vests and is exercised by the relevant participant.

The Board has sole and absolute discretion to determine the terms and conditions of awards which are granted under the LTIP including, but not limited to, the following:

- which individuals will be invited to participate in the LTIP;
- the number of awards to be granted to each participant;
- the fee payable, if any, by participants on the grant of awards;
- the terms (e.g. vesting conditions or performance hurdles) on which the awards will vest and become exercisable;
- the exercise price, if any, of each award granted to participants;
- the period during which a vested award can be exercised; and
- any forfeiture conditions or disposal restrictions applying to the awards and shares received upon exercise of awards.

Group's performance and link to remuneration
Remuneration for certain individuals is linked to their divisional performance and the performance of the group, if relevant. Refer to section 'Details of remuneration' of the remuneration report for details.

Use of remuneration consultants
During the financial year ended 30 June 2020, the group had not engaged any remuneration consultants to review or advise upon its existing remuneration policies, including the implementation of the LTIP.

Voting and comments made at the company's 2019 Annual General Meeting ('AGM')
At the 2019 AGM, 99% of the votes received supported the adoption of the remuneration report for the year ended 30 June 2019. The company did not receive any specific feedback at the AGM regarding its remuneration practices.

Details of remuneration

Amounts of remuneration
The KMP of the group consisted of the directors of BetMakers Technology Group Ltd and the following persons:

- Oliver Shanahan - Chief Information Officer
- Jake Henson - Chief Operating Officer (appointed as COO 1 November 2018, included as a KMP from 1 July 2019)
- Anthony Pullin – Chief Financial Officer

Details of the remuneration of KMP of the group are set out in the following tables:

	Short-term benefits			Post-employment benefits	Long-term benefits	Share-based payments		
2020	Cash salary and fees $	Cash bonus * $	Non-monetary $	Super-annuation $	Leave benefits $	Equity-settled shares $	Equity-settled options $	Total $
Non-Executive Directors:								
Nicholas Chan	82,077	-	9,247	8,203	-	-	-	99,527
Simon Dulhunty	45,661	-	-	4,338	-	-	-	49,999
Executive Directors:								
Todd Buckingham	240,076	-	5,104	22,807	-	-	-	267,987
Other KMP:								
Oliver Shanahan	181,700	18,265	-	18,996	-	-	63,634	282,595
Jake Henson	163,480	18,265	11,834	17,805	-	-	48,292	259,676
Anthony Pullin	179,999	13,699	-	18,401	-	-	42,208	254,307
	892,993	50,229	26,185	90,550	-	-	154,134	1,214,091

* A cash incentive was paid to staff in November 2019. The Board agreed a number of strategic operational targets by which the execution of these targets would give rise to a short-term incentive, payable at the Boards discretion. All Board set operational targets were met, and 100% of the agreed incentive was paid.

	Short-term benefits			Post-employment benefits	Long-term benefits	Share-based payments		
2019	Cash salary and fees $	Cash bonus $	Non-monetary $	Super-annuation $	Leave benefits $	Equity-settled shares $	Equity-settled options $	Total $
Non-Executive Directors:								
Nicholas Chan	82,077	-	9,247	7,797	-	-	24,500	123,621
Simon Dulhunty	45,661	-	-	4,338	-	-	24,500	74,499
Executive Directors:								
Todd Buckingham	193,846	-	4,489	18,415	-	-	-	216,750
Other KMP:								
Oliver Shanahan	183,076	-	-	17,392	-	-	-	200,468
Anthony Pullin	126,000	-	-	11,970	-	-	-	137,970
Paul Jeronimo *	76,477	-	-	2,709	-	-	-	79,186
	707,137	-	13,736	62,621	-	-	49,000	832,494

* Remuneration until date of resignation (30 October 2018) as KMP.

The proportion of the cash bonus paid/payable or forfeited is as follows:

Name	Cash bonus paid 2020	Cash bonus forfeited 2020
Other KMP:		
Oliver Shanahan	100%	-
Jake Henson	100%	-
Anthony Pullin	100%	-

Service agreements

Remuneration and other terms of employment for KMP are formalised in service agreements. Details of these agreements are as follows:

Name:	Todd Buckingham
Title:	Managing Director and Chief Executive Officer
Agreement commenced:	8 November 2015
Term of agreement:	Fixed term for two years and upon expiry may be mutually extended to continue on an ongoing basis.
Details:	With effect from 1 January 2020, Todd Buckingham receives a total fixed remuneration of $275,000 per annum (excluding superannuation) which includes all non-cash benefits he may be entitled to receive plus a motor vehicle allowance of $20,000 per annum. In addition, under a revised agreement, the company has issued to Todd: 16,667,000 options each with an exercise price of $0.06 and with an option term of three years. As at 30 June 2020, all options had vested. Todd is also eligible for a discretionary bonus and incentive payment scheme, and to participate in the LTIP. Todd may terminate his employment contract by giving twelve months' notice in writing. In addition to the rights provided under the Constitution, subject to the requirements of the Corporations Act, if, amongst other circumstances, the Board determines that Todd is not satisfactorily performing his duties as Managing Director, the Board may recommend and put a resolution to the shareholders for his removal either during the fixed term or otherwise. Todd will be subject to a restraint on solicitation of clients, suppliers and employees for a period of 12 months following the termination of his employment.

Name:	Oliver Shanahan
Title:	Chief Information Officer
Agreement commenced:	1 July 2014
Term of agreement:	Ongoing basis
Details:	With effect from 1 July 2020, Oliver Shanahan receives an annual salary of $180,000 (excluding superannuation) and is also eligible for: ● mandatory superannuation contributions; ● a discretionary bonus and incentive payment scheme; and ● the LTIP. The group or Oliver may terminate his employment agreement by giving three weeks' notice in writing, or by the group making a payment in lieu of part or all of the notice period, in addition to the usual summary dismissal grounds. Other than in relation to the protection of confidential information and intellectual property, Oliver is not subject to any other restrictions on his activities after his employment with the group ceases.

Name:	Jake Henson
Title:	Chief Operating Officer
Agreement commenced:	1 May 2014
Term of agreement:	Ongoing basis
Details:	With effect from 1 July 2020, Jake Henson receives an annual salary of $200,000 (excluding superannuation) and is also eligible for: ● mandatory superannuation contributions; ● a discretionary bonus and incentive payment scheme; and ● the LTIP. The group or Jake may terminate his employment agreement by giving two months' notice in writing, or by the group making a payment in lieu of part or all of the notice period, in addition to the usual summary dismissal grounds. Other than in relation to the protection of confidential information and intellectual property, Jake will be subject to a restraint on solicitation of clients, suppliers and employees for a period of 12 months following the termination of his employment.

Name:	Anthony Pullin
Title:	Chief Financial Officer
Agreement commenced:	16 October 2018
Term of agreement:	Ongoing basis
Details:	Anthony Pullin receives an annual salary of $180,000 (excluding superannuation) and is also eligible for: ● mandatory superannuation contributions; ● a discretionary bonus and incentive payment scheme; and ● the LTIP. The group or Anthony may terminate his employment agreement by giving one months' notice in writing, or by the group making a payment in lieu of part or all of the notice period, in addition to the usual summary dismissal grounds. Other than in relation to the protection of confidential information and intellectual property, Anthony will be subject to a restraint on solicitation of clients, suppliers and employees for a period of 3 months following the termination of his employment.

KMP have no entitlement to termination payments in the event of removal for misconduct.

Share-based compensation

Issue of shares
No shares were issued to directors or other KMP as part of compensation during the year ended 30 June 2020.

Options
The terms and conditions of each grant of options issued by 30 June 2020 over ordinary shares affecting remuneration of directors and other KMP in this financial year or future reporting years are as follows:

Name	Number of options granted	Grant date	Vesting date and exercisable date	Expiry date	Exercise price	Fair value per option at grant date
Nicholas Chan	5,000,000	28/06/2019	27/06/2019	27/06/2022	$0.060	$0.0049
Todd Buckingham - Tranche 1	10,000,000	12/11/2015	14/10/2019	21/06/2022	$0.060	$0.0470
Todd Buckingham - Tranche 2	6,667,000	12/11/2015	14/10/2019	21/06/2022	$0.060	$0.0200
Simon Dulhunty	5,000,000	28/06/2019	28/06/2019	27/06/2022	$0.060	$0.0049
Oliver Shanahan	1,954,681	03/07/2017	31/10/2020 *	31/10/2020	$0.300	$0.0200
	3,000,000	29/08/2019	31/12/2022 **	31/12/2022	$0.060	$0.0281
Jake Henson	250,000	03/07/2017	31/10/2020 *	31/10/2020	$0.300	$0.0200
	3,000,000	29/08/2019	31/12/2022 **	31/12/2022	$0.060	$0.0281
Anthony Pullin	2,500,000	29/08/2019	31/12/2022 **	31/12/2022	$0.060	$0.0281

All options granted to employees are subject to performance related vesting conditions.
* Options vesting based on a number of conditions relating to period of employment service and financial performance hurdles. As at 30 June 2020 approximately 30% of granted options had vested.
** Options vesting based on a number of conditions relating to period of employment service and financial performance hurdles. As at 30 June 2020 approximately 90% of granted options had vested.

Options granted carry no dividend or voting rights.

Performance rights
There were no performance rights over ordinary shares issued to directors and other KMP as part of compensation that were outstanding as at 30 June 2020.

There were no performance rights over ordinary shares granted to or vested by directors and other KMP as part of compensation during the year ended 30 June 2020.

Performance rights granted carry no dividend or voting rights.

Additional information
The earnings of the group for the five years to 30 June 2020 are summarised below:

	2020 $	2019 $	2018 $	2017 $	2016 $
Sales revenue	8,581,606	6,158,978	12,738,356	5,621,636	2,884,923
Loss after income tax	(1,860,764)	(3,604,757)	(5,976,540)	(7,618,257)	(4,537,525)

The factors that are considered to affect total shareholders return ('TSR') are summarised below:

	2020	2019	2018	2017	2016
Share price at financial year end ($)	0.43	0.05	0.08	0.23	0.17
Basic earnings per share (cents per share)	(0.47)	(1.55)	(3.68)	(6.40)	(5.64)

Additional disclosures relating to KMP

Shareholding
The number of shares in the company held during the financial year by each director and other members of KMP of the group, including their personally related parties, is set out below:

	Balance at the start of the year	Received as part of remuneration	Additions	Disposals/ other **	Balance at the end of the year
Ordinary shares					
Nicholas Chan	407,142	-	-	-	407,142
Todd Buckingham	6,488,808	-	-	-	6,488,808
Simon Dulhunty	844,045	-	-	-	844,045
Oliver Shanahan	2,399,468	-	-	-	2,399,468
Jake Henson *	329,968	-	-	(105,000)	224,968
Anthony Pullin	-	-	95,237	-	95,237
	10,469,431	-	95,237	(105,000)	10,459,668

* Shares acquired before his appointment as KMP.
** Disposals/other represents shares sold during the year.

Option holding
The number of options over ordinary shares in the company held during the financial year by each director and other members of KMP of the group, including their personally related parties, is set out below:

	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
Options over ordinary shares					
Todd Buckingham *	16,667,000	-	-	-	16,667,000
Nicholas Chan	5,000,000	-	-	-	5,000,000
Simon Dulhunty	5,000,000	-	-	-	5,000,000
Oliver Shanahan	1,954,681	3,000,000	-	-	4,954,681
Jake Henson **	250,000	3,000,000	-	-	3,250,000
Anthony Pullin	-	2,500,000	-	-	2,500,000
	28,871,681	8,500,000	-	-	37,371,681

* Conditions detailed in 'Service agreements' section above.
** Options acquired before his appointment as KMP.

	Vested and exercisable *
Options over ordinary shares	
Todd Buckingham	16,667,000
Nicholas Chan	5,000,000
Simon Dulhunty	5,000,000
Oliver Shanahan	3,086,404
Jake Henson	2,575,000
Anthony Pullin	2,000,000
	34,328,404

* The difference between the total options vested and exercisable and the balance at the end of the year are the options unvested but still exercisable.

Loans to KMP and their related parties
The loans to KMP and their related parties during the financial year by each directors and other members of KMP of the group, including their personal related parties, is set out below:

	Balance at the start of the year	Additions	Reversal of impairment provision	Balance at the end of the year
Todd Buckingham	129,994	-	65,854	195,848
Oliver Shanahan	96,293	-	48,781	145,074
Jake Henson *	13,275	-	6,725	20,000
	239,562	-	121,360	360,922

* Loans acquired before his appointment as KMP.

The loans had been partially provided against as at 30 June 2019. This provision has been reversed as at 30 June 2020. There was no interest charged on these loans during the period. Refer to note 9 for further detail.

There were no other transactions with KMP and their related parties.

This concludes the remuneration report, which has been audited.

Shares under option

Unissued ordinary shares of BetMakers Technology Group Ltd under option at the date of this report are as follows:

Grant date	Expiry date	Exercise price	Number under option
12 November 2015	21 June 2022	$0.060	16,667,000
3 July 2017	31 October 2020	$0.293	761,404
17 September 2018	30 November 2020	$0.120	4,000,000
28 June 2019	27 June 2022	$0.060	10,000,000
9 December 2019	1 July 2022	$0.060	10,000,000
29 August 2019	31 December 2022	$0.060	18,400,000
10 October 2019	31 December 2022	$0.060	125,000
14 January 2020	30 June 2022	$0.130	250,000
			60,203,404

14,025,000 options over ordinary shares are held by external parties to the group.

10,350,000 options over ordinary shares are held by non-KMP employees.

No person entitled to exercise the options had or has any right by virtue of the option to participate in any share issue of the company or of any other body corporate.

Shares under performance rights

Unissued ordinary shares of BetMakers Technology Group Ltd under performance rights at the date of this report are as follows:

Grant date	Expiry date	Exercise price	Number under rights
27 May 2020	25 July 2021	$0.180	1
27 May 2020	25 January 2022	$0.180	1
27 May 2020	25 July 2022	$0.180	1
27 May 2020	25 January 2023	$0.180	1
			4

On 28 January 2020, the company announced that it has signed conditional commercial agreements with the Waterhouse Group to build and operate new wagering products. As part of the commercial agreements, the company agreed to issue performance rights (convertible into options) to Waterhouse VC. On 27 May 2020, upon receiving shareholder approval, the company issued Waterhouse VC 4 performance rights. Upon achieving revenue hurdles during the vesting period, the performance rights will convert to options. The maximum number of options which may be issued, in aggregate, on conversion of all performance rights is 94,741,686 options. All performance rights issued will have an exercise price of $0.18 per ordinary share.

No person entitled to exercise the performance rights had or has any right by virtue of the performance right to participate in any share issue of the company or of any other body corporate.

Shares issued on the exercise of options

The following ordinary shares of BetMakers Technology Group Ltd were issued during the year ended 30 June 2020 and up to the date of this report on the exercise of options granted:

Date options granted	Exercise price	Number of shares issued
29 August 2019 *	$0.060	330,410
29 August 2019 **	$0.060	1,000,000
10 October 2019	$0.060	125,000
		1,455,410

* Cashless exercise of a total of 400,000 options issued under the Company's long term incentive plan. Accordingly, the Company did not receive the exercise price for the exercise of such options.

** Exercised on 17 July 2020.

Shares issued on the exercise of performance rights

There were no ordinary shares of BetMakers Technology Group Ltd issued on the exercise of performance rights during the year ended 30 June 2020 and up to the date of this report.

Indemnity and insurance of officers

The company has indemnified the directors and executives of the company for costs incurred, in their capacity as a director or executive, for which they may be held personally liable, except where there is a lack of good faith.

During the financial year, the company paid a premium in respect of a contract to insure the directors and executives of the company against a liability to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

Indemnity and insurance of auditor

The company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the company or any related entity against a liability incurred by the auditor.

During the financial year, the company has not paid a premium in respect of a contract to insure the auditor of the company or any related entity.

Proceedings on behalf of the company

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the company, or to intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or part of those proceedings.

Non-audit services

Details of the amounts paid or payable to the auditor for non-audit services provided during the financial year by the auditor are outlined in note 24 to the financial statements.

The directors are satisfied that the provision of non-audit services during the financial year, by the auditor (or by another person or firm on the auditor's behalf), is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001.

The directors are of the opinion that the services as disclosed in note 24 to the financial statements do not compromise the external auditor's independence requirements of the Corporations Act 2001 for the following reasons:

- all non-audit services have been reviewed and approved to ensure that they do not impact the integrity and objectivity of the auditor; and
- none of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants (including Independence Standards) issued by the Accounting Professional and Ethical Standards Board, including reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the company, acting as advocate for the company or jointly sharing economic risks and rewards.

Officers of the company who are former partners of PKF(NS) Audit & Assurance Limited Partnership

There are no officers of the company who are former partners of PKF(NS) Audit & Assurance Limited Partnership.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this directors' report.

Auditor

PKF(NS) Audit & Assurance Limited Partnership continues in office in accordance with section 327 of the Corporations Act 2001.

This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the directors

Nicholas Chan
Chairman

Todd Buckingham
Director

25 August 2020
Sydney

BetMakers Technology Group Limited
ACN: 164 521 395

Auditor's Independence Declaration under section 307C of the Corporations Act 2001

In accordance with the requirements of section 307C of the *Corporations Act 2001*, as lead auditor for the audit of BetMakers Technology Group Limited for the year ended 30 June 2020, I declare that, to the best of my knowledge and belief, there have been:

(i) No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

(ii) No contraventions of any applicable code of professional conduct in relation to the audit.

PKF

PKF

Matthews

MARTIN MATTHEWS
PARTNER

25 AUGUST 2020
NEWCASTLE, NSW

	Note	Consolidated 2020 $	Consolidated 2019 $
Revenue from continuing operations			
Revenue		8,581,606	6,158,978
Cost of sales		(2,248,623)	(2,790,005)
Gross profit		6,332,983	3,368,973
Other income	5	584,028	661,246
Interest revenue calculated using the effective interest method		1,553	10,156
Expenses			
Employee benefits expense	6	(4,095,578)	(3,823,274)
Professional fees		(805,270)	(888,825)
Administration expenses		(660,183)	(488,493)
IT expenses		(357,913)	(613,331)
Occupancy expenses		(76,857)	(177,992)
Depreciation and amortisation expense	6	(2,145,811)	(1,802,759)
Reversal/(impairment) of receivables	9	259,472	(598,304)
Share-based payments expense	19	(885,026)	(95,528)
Other expenses		(88,175)	(119,519)
Finance costs	6	(481,618)	(52,036)
Loss before income tax benefit		(2,418,395)	(4,619,686)
Income tax benefit	7	277,844	1,014,929
Loss after income tax benefit for the year attributable to the owners of BetMakers Technology Group Ltd	20	(2,140,551)	(3,604,757)
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year attributable to the owners of BetMakers Technology Group Ltd		(2,140,551)	(3,604,757)
		Cents	**Cents**
Basic earnings per share	32	(0.47)	(1.55)
Diluted earnings per share	32	(0.47)	(1.55)

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

	Note	Consolidated 2020 $	Consolidated 2019 $
Assets			
Current assets			
Cash and cash equivalents	8	31,624,870	453,104
Trade and other receivables	9	1,999,721	1,240,925
Prepayments		60,393	82,687
Total current assets		33,684,984	1,776,716
Non-current assets			
Trade and other receivables	9	839,207	512,192
Property, plant and equipment	10	235,496	159,348
Right-of-use assets	11	465,555	-
Intangibles	12	20,072,068	21,626,990
Deferred tax	13	7,295,014	6,529,787
Total non-current assets		28,907,340	28,828,317
Total assets		62,592,324	30,605,033
Liabilities			
Current liabilities			
Trade and other payables	14	1,284,051	1,155,060
Lease liabilities	15	112,727	-
Income tax		-	30,353
Employee benefits	16	265,778	179,240
Other financial liabilities	17	16,452	6,000,000
Total current liabilities		1,679,008	7,364,653
Non-current liabilities			
Lease liabilities	15	350,214	-
Employee benefits	16	137,354	84,063
Other financial liabilities	17	25,021	4,000,000
Total non-current liabilities		512,589	4,084,063
Total liabilities		2,191,597	11,448,716
Net assets		60,400,727	19,156,317
Equity			
Issued capital	18	84,943,067	42,417,857
Reserves	19	1,573,392	713,641
Accumulated losses	20	(26,115,732)	(23,975,181)
Total equity		60,400,727	19,156,317

The above statement of financial position should be read in conjunction with the accompanying notes

BetMakers Technology Group Ltd
Statement of changes in equity
For the year ended 30 June 2020

Consolidated	Issued capital $	Reserves $	Accumulated losses $	Total equity $
Balance at 1 July 2018	32,484,366	1,449,763	(21,202,074)	12,732,055
Loss after income tax benefit for the year	-	-	(3,604,757)	(3,604,757)
Other comprehensive income for the year, net of tax	-	-	-	-
Total comprehensive income for the year	-	-	(3,604,757)	(3,604,757)
Transactions with owners in their capacity as owners:				
Contributions of equity, net of transaction costs (note 18)	9,933,491	-	-	9,933,491
Share-based payments (note 33)	-	95,528	-	95,528
Share-based payments - cancelled options	-	(831,650)	831,650	-
Balance at 30 June 2019	42,417,857	713,641	(23,975,181)	19,156,317

Consolidated	Issued capital $	Reserves $	Accumulated losses $	Total equity $
Balance at 1 July 2019	42,417,857	713,641	(23,975,181)	19,156,317
Loss after income tax benefit for the year	-	-	(2,140,551)	(2,140,551)
Other comprehensive income for the year, net of tax	-	-	-	-
Total comprehensive income for the year	-	-	(2,140,551)	(2,140,551)
Transactions with owners in their capacity as owners:				
Contributions of equity, net of transaction costs (note 18)	42,499,935	-	-	42,499,935
Share-based payments (note 33)	-	885,026	-	885,026
Exercise of options	25,275	(25,275)	-	-
Balance at 30 June 2020	84,943,067	1,573,392	(26,115,732)	60,400,727

	Note	Consolidated 2020 $	Consolidated 2019 $
Cash flows from operating activities			
Receipts from customers - net		7,521,039	7,099,614
Payments to suppliers and employees		(8,268,266)	(10,828,686)
Interest received		1,553	10,156
Interest and other finance costs paid		(374,795)	(52,036)
Research and development tax received		627,362	774,028
Income taxes paid		(8,044)	(87,260)
Net cash used in operating activities	30	(501,151)	(3,084,184)
Cash flows from investing activities			
Payment for purchase of business, net of cash acquired		-	(9,035,253)
Payments for property, plant and equipment	10	(182,624)	(26,799)
Payments for intangibles		(40,000)	-
Payment for earn-out on previous acquisitions		-	(905,700)
Proceeds from disposal of business		-	3,217,544
Proceeds from disposal of property, plant and equipment	10	-	940
Net cash used in investing activities		(222,624)	(6,749,268)
Cash flows from financing activities			
Proceeds from issue of shares		37,760,000	9,138,495
Deferred consideration payment		(4,000,000)	-
Share issue transaction costs		(1,706,377)	(308,705)
Repayment of lease liabilities		(158,082)	-
Net cash from financing activities		31,895,541	8,829,790
Net increase/(decrease) in cash and cash equivalents		31,171,766	(1,003,662)
Cash and cash equivalents at the beginning of the financial year		453,104	1,456,766
Cash and cash equivalents at the end of the financial year	8	31,624,870	453,104

The above statement of cash flows should be read in conjunction with the accompanying notes

Note 1. General information

The financial statements cover BetMakers Technology Group Ltd as a group consisting of BetMakers Technology Group Ltd (the 'company' or 'parent entity') and the entities it controlled at the end of, or during, the year (referred to in these financial statements as the 'group'). The financial statements are presented in Australian dollars, which is BetMakers Technology Group Ltd's functional and presentation currency.

BetMakers Technology Group Ltd is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

22 Lambton Road
Broadmeadow, NSW 2292

A description of the nature of the group's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 25 August 2020.

Note 2. Significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out either in the respective notes or below. These policies have been consistently applied to all the years presented, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted

The group has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the group during the financial year.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

The following Accounting Standards and Interpretations adopted during the year are most relevant to the group:

AASB 16 Leases

The group has adopted AASB 16 from 1 July 2019. The standard replaces AASB 117 'Leases' and for lessees eliminates the classifications of operating leases and finance leases. Except for short-term leases and leases of low-value assets, right-of-use assets and corresponding lease liabilities are recognised in the statement of financial position. Straight-line operating lease expense recognition is replaced with a depreciation charge for the right-of-use assets (included in operating costs) and an interest expense on the recognised lease liabilities (included in finance costs). In the earlier periods of the lease, the expenses associated with the lease under AASB 16 will be higher when compared to lease expenses under AASB 117. However, EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation) results improve as the operating expense is now replaced by interest expense and depreciation in profit or loss. For classification within the statement of cash flows, the interest portion is disclosed in operating activities and the principal portion of the lease payments are separately disclosed in financing activities. For lessor accounting, the standard does not substantially change how a lessor accounts for leases.

Note 2. Significant accounting policies (continued)

Impact of adoption
AASB 16 was adopted using the modified retrospective approach and as such the comparatives have not been restated. The impact of adoption in opening accumulated losses as at 1 July 2019 was nil as follows:

	1 July 2019 $
Operating lease commitments as at 1 July 2019 (AASB 117)	269,645
Adjustment to opening balance of operating lease commitments as at 1 July 2019 (AASB 117)	5,938
Operating lease commitments discount based on the weighted average incremental borrowing rate of 5% (AASB 16)	(22,683)
Make good provision as at 1 July 2019 (AASB 16)	53,373
Right-of-use assets (AASB 16)	306,273
Lease liabilities - current (AASB 16)	(138,016)
Lease liabilities - non-current (AASB 16)	(168,257)
Reduction/increase in opening accumulated losses as at 1 July 2019	-

Practical expedients applied
In adopting AASB 16, the group has used the following practical expedients permitted by the standard:
- applied a single discount rate to a portfolio of leases with reasonably similar characteristics;
- accounted for operating leases with a remaining lease term of less than 12 months as at 1 July 2019 as short-term leases;
- excluded initial direct costs for the measurement of the right-of-use asset at the date of initial application;
- used hindsight in determining the lease term where the contract contains options to extend or terminate the lease; and
- not apply AASB 16 to contracts that were not previously identified as containing a lease.

Interpretation 23 Uncertainty over Income Tax
The group has adopted Interpretation 23 from 1 July 2019. The interpretation clarifies how to apply the recognition and measurement requirements of AASB 112 'Income Taxes' in circumstances where uncertain tax treatments exists. The interpretation requires: the group to determine whether each uncertain tax treatment should be treated separately or together, based on which approach better predicts the resolution of the uncertainty; the group to consider whether it is probable that a taxation authority will accept an uncertain tax treatment; and if the group concludes that it is not probable that the taxation authority will accept an uncertain tax treatment, it shall reflect the effect of uncertainty in determining the related taxable profit (tax loss), tax bases, unused tax losses, unused tax credits or tax rates, measuring the tax uncertainty based on either the most likely amount or the expected value. In making the assessment it is assumed that a taxation authority will examine amounts it has a right to examine and have full knowledge of all related information when making those examinations. Interpretation 23 was adopted using the modified retrospective approach and as such comparatives have not been restated. There was no impact of adoption on opening retained profits as at 1 July 2019.

Recoverability of intangible assets and deferred tax assets
During the year, the group incurred a net loss after tax of $2,140,551 (2019: $3,604,757) and net operating cash outflows of $501,151 (2019: outflows of $3,084,184). The company has prepared cash flow forecasts as at 30 June 2020 to determine the recoverability of the group's intangibles and deferred tax assets.

The key assumptions underlying these forecasts are as follows:
- Execution on new deals such as the New Jersey opportunity and the Tom Waterhouse deals;
- Continuation of existing Platforms, Managed Trading Services, GBS and DynamicOdds business performance with modest growth achieved;
- The successful expansion of the global racing content product; and
- Increased Global Tote turnover from product expansion and on boarding of additional bookmakers.

The directors are confident of achieving these assumptions. Should the above assumptions not be realised, the group may be unable to realise its intangibles and deferred tax assets.

Note 2. Significant accounting policies (continued)

Basis of preparation
These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

Historical cost convention
The financial statements have been prepared under the historical cost convention, except for, where applicable, financial assets at fair value through profit or loss.

Critical accounting estimates
The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 3.

Parent entity information
In accordance with the Corporations Act 2001, these financial statements present the results of the group only. Supplementary information about the parent entity is disclosed in note 28.

Principles of consolidation
The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of BetMakers Technology Group Ltd as at 30 June 2020 and the results of all subsidiaries for the year then ended.

Subsidiaries are all those entities over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the group are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Where the group loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The group recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or reduction in profit or loss.

Revenue recognition
Revenue from contracts with customers
Revenue is recognised at an amount that reflects the consideration to which the group is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the group: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Note 2. Significant accounting policies (continued)

Variable consideration within the transaction price, if any, reflects concessions provided to the customer such as discounts, rebates and refunds, any potential bonuses receivable from the customer and any other contingent events. Such estimates are determined using either the 'expected value' or 'most likely amount' method. The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved. Amounts received that are subject to the constraining principle are recognised as a refund liability.

Content and integrity
Content and integrity revenue is recognised in the profit or loss once the service has been rendered. The provision of content and integrity includes working with racing bodies and rights holders to produce and distribute racing content. Revenue is derived as a fixed fee or a percentage or turnover derived from the racing content. Revenue is therefore recognised in-line with the delivery of services, based on the contracted fee or reported turnover.

Wholesale wagering products
Wholesale wagering products revenue is recognised in the profit or loss once the service has been rendered. The provision of wholesale wagering products includes the provision of racing data to customers, the provision of analytical tools to assist in consuming racing data and wagering products to bookmakers such as platforms and the Global Tote. Revenue is derived as a fixed fee or a percentage of turnover derived from the tools provided. Revenue is therefore recognised in-line with the delivery of services, based on the contracted fee or reported turnover.

Interest
Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Foreign currency transactions
Foreign currency transactions are translated into the entity’s functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Current and non-current classification
Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the group's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the group's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

Lease make good provision
A provision has been made for the present value of anticipated costs for future restoration of leased premises. The provision includes future cost estimates associated with closure of the premises. The calculation of this provision requires assumptions such as application of closure dates and cost estimates. The provision recognised for each site is periodically reviewed and updated based on the facts and circumstances available at the time. Changes to the estimated future costs for sites are recognised in the statement of financial position by adjusting the asset and the provision. Reductions in the provision that exceed the carrying amount of the asset will be recognised in profit or loss.

Note 2. Significant accounting policies (continued)

Goods and Services Tax ('GST') and other similar taxes

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

Comparatives

Some comparatives in the statement of profit or loss have been realigned where necessary to agree with current year presentation. The major changes being IT expenses of $1,037,847 (2019: $565,105) reclassified as cost of sales and administration expenses of $433,597 (2019: $493,297) being reclassified as employee expenses. There was no change in the profit or net assets of the group.

New Accounting Standards and Interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the group for the annual reporting period ended 30 June 2020. The group's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the group, are set out below.

Conceptual Framework for Financial Reporting (Conceptual Framework)

The revised Conceptual Framework is applicable to annual reporting periods beginning on or after 1 January 2020 and early adoption is permitted. The Conceptual Framework contains new definition and recognition criteria as well as new guidance on measurement that affects several Accounting Standards. Where the group has relied on the existing framework in determining its accounting policies for transactions, events or conditions that are not otherwise dealt with under the Australian Accounting Standards, the group may need to review such policies under the revised framework. At this time, the application of the Conceptual Framework is not expected to have a material impact on the group's financial statements.

Note 3. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

COVID-19

Judgement has been exercised in considering the impacts that COVID-19 has had, or may have, on the group based on known information. This consideration extends to the nature of the products and services offered, customers, supply chain, staffing and geographic regions in which the group operates. Other than as addressed in specific notes, there does not currently appear to be either any significant impact upon the financial statements or any significant uncertainties with respect to events or conditions which may impact the group unfavourably as at the reporting date or subsequently as a result of COVID-19.

Note 3. Critical accounting judgements, estimates and assumptions (continued)

Share-based payment transactions
The group measures the cost of equity-settled transactions with employees and third parties by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using either the Binomial or Black-Scholes model, depending on the equity-settled transaction, and takes into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity.

Allowance for expected credit losses
The allowance for expected credit losses assessment requires a degree of estimation and judgement. It is based on the lifetime expected credit loss, grouped based on days overdue, and makes assumptions to allocate an overall expected credit loss rate for each group. These assumptions include recent sales experience, historical collection rates, the impact of COVID-19 and forward-looking information that is available. The allowance for expected credit losses, as disclosed in note 9, is calculated based on the information available at the time of preparation. The actual credit losses in future years may be higher or lower.

Goodwill
The group tests annually, or more frequently if events or changes in circumstances indicate impairment, whether goodwill has suffered any impairment, in accordance with the stated accounting policy. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of assumptions, including estimated discount rates based on the current cost of capital and growth rates of the estimated future cash flows.

Income tax
The group is subject to income taxes in the jurisdictions in which it operates. Significant judgement is required in determining the provision for income tax. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The group recognises liabilities for anticipated tax audit issues based on the group's current understanding of the tax law. Where the final tax outcome of these matters is different from the carrying amounts, such differences will impact the current and deferred tax provisions in the period in which such determination is made. Refer to note 7 for further details.

Recovery of deferred tax assets
Deferred tax assets are recognised for tax losses and deductible temporary differences only if the group considers it is probable that future taxable amounts will be available to utilise those temporary differences and losses, and that the company continues to meet the Same Business Test and Similar Business Test rules as applicable. With changes to corporate tax rates in Australia in future financial years, there is judgement regarding the tax rate expected to apply when assets are recovered.

Lease term
The lease term is a significant component in the measurement of both the right-of-use asset and lease liability. Judgement is exercised in determining whether there is reasonable certainty that an option to extend the lease or purchase the underlying asset will be exercised, or an option to terminate the lease will not be exercised, when ascertaining the periods to be included in the lease term. In determining the lease term, all facts and circumstances that create an economical incentive to exercise an extension option, or not to exercise a termination option, are considered at the lease commencement date. Factors considered may include the importance of the asset to the group's operations; comparison of terms and conditions to prevailing market rates; incurrence of significant penalties; existence of significant leasehold improvements; and the costs and disruption to replace the asset. The group reassesses whether it is reasonably certain to exercise an extension option, or not exercise a termination option, if there is a significant event or significant change in circumstances.

Incremental borrowing rate
Where the interest rate implicit in a lease cannot be readily determined, an incremental borrowing rate is estimated to discount future lease payments to measure the present value of the lease liability at the lease commencement date. Such a rate is based on what the group estimates it would have to pay a third party to borrow the funds necessary to obtain an asset of a similar value to the right-of-use asset, with similar terms, security and economic environment.

Note 3. Critical accounting judgements, estimates and assumptions (continued)

Management assumptions on right-of-use assets and lease liabilities
There are specific estimates and judgements that were used as part of the calculation of right-of-use assets and lease liabilities. These estimates include the lease terms, lease make good provisions and lease increases based on consumer price index. Management used the best available estimate of these inputs in the calculations.

Management have elected not to apply the available expedient to not separately account for non-lease components. As such, the group has separated any non-lease components from future lease payments and will continue to account for these components as an expense over time as the non-lease components are provided. As such, there are no future assets or obligations recognised in respect of non-lease components.

For some leases, the identification of amounts related to non-lease components must be estimated due to contracts not including an explicit break-up. In these cases, management estimates the value of the non-lease component by reference to available market data. Where the estimate is significant, management includes a note to detail the judgements made to arrive at the estimate

Deferred consideration
The deferred consideration liability is the difference between the total purchase consideration, usually on an acquisition of a business combination, and the amounts paid or settled up to the reporting date, discounted to net present value. The group applies provisional accounting for any business combination. Any reassessment of the liability during the earlier of the finalisation of the provisional accounting or 12 months from acquisition-date is adjusted for retrospectively as part of the provisional accounting rules in accordance with AASB 3 'Business Combinations'. Thereafter, at each reporting date, the deferred consideration liability is reassessed against revised estimates and any increase or decrease in the net present value of the liability will result in a corresponding gain or loss to profit or loss. The increase in the liability resulting from the passage of time is recognised as a finance cost.

Note 4. Operating segments

Identification of reportable operating segments
The group operates in three segments being content and integrity, wholesale wagering products and corporate. This is based on the internal reports that are reviewed and used by the Board of Directors (who are identified as the Chief Operating Decision Makers ('CODM')) in assessing performance and in determining the allocation of resources. There is no aggregation of operating segments.

The information reported to the CODM is on at least a monthly basis. The financial information presented in these financial statements are the same as that presented to the CODM.

Types of products and services
The principal products and services of each of these operating segments are as follows:

Content and integrity	The group assists racing bodies and rights holders in producing and distributing race content. This includes services such as barrier technology, official price calculation, vision and pricing distribution.
Wholesale wagering products	The group provides customers with a variety of racing data and analytical tools. This includes basic race data such as pricing, runners, and form, analytical tools to consume and leverage the data, and wagering tools such as platforms and the Global Tote.

There are no intersegment transactions.

Major customers
There is one major customer that represented 15% (2019: 18%) of revenue.

Note 4. Operating segments (continued)

Operating segment information

Consolidated - 2020	Content and integrity $	Wholesale wagering products $	Total $
Revenue			
Sales to external customers	2,250,952	6,330,654	8,581,606
Total revenue	2,250,952	6,330,654	8,581,606
Segment result	613,980	2,621,175	3,235,155
Depreciation and amortisation	(328,867)	(1,566,055)	(1,894,922)
	285,113	1,055,120	1,340,233
Unallocated segment results			(2,984,595)
Depreciation and amortisation			(250,889)
Research and development tax rebate			584,028
Finance costs			(481,618)
Share options expenses			(885,026)
Provision write-back			259,472
Loss before income tax benefit			(2,418,395)
Income tax benefit			277,844
Loss after income tax benefit			(2,140,551)
Assets			
Segment assets	2,067,396	19,387,013	21,454,409
Unallocated assets			41,137,915
Total assets			62,592,324
Liabilities			
Segment liabilities	296,705	323,079	619,784
Unallocated liabilities			1,571,813
Total liabilities			2,191,597

Note 4. Operating segments (continued)

Consolidated - 2019	Content and integrity $	Wholesale wagering products $	Total $
Revenue			
Sales to external customers	496,004	5,662,974	6,158,978
Total revenue	496,004	5,662,974	6,158,978
Segment result	157,283	710,822	868,105
Depreciation and amortisation	(45,995)	(1,595,629)	(1,641,624)
Interest revenue	-	171	171
Finance costs	-	(12,970)	(12,970)
	111,288	(897,606)	(786,318)
Unallocated segment results			(3,610,566)
Depreciation and amortisation			(161,136)
Research and development tax rebate			661,246
Interest revenue			9,985
Finance costs			(39,065)
Share options expenses			(95,528)
Impairment of receivable			(598,304)
Loss before income tax benefit			(4,619,686)
Income tax benefit			1,014,929
Loss after income tax benefit			(3,604,757)
Assets			
Segment assets	1,672,123	21,122,190	22,794,313
Unallocated assets			7,810,720
Total assets			30,605,033
Liabilities			
Segment liabilities	1,364,220	9,395,504	10,759,724
Unallocated liabilities			688,992
Total liabilities			11,448,716

Revenue by geographical area

	Consolidated 2020 $	Consolidated 2019 $
Australia	6,161,938	5,553,155
United Kingdom	1,018,507	443,231
United States of America	1,032,735	162,592
Rest of the world	368,426	-
Total revenue	8,581,606	6,158,978

Revenue is recognised at the point the services are transferred.

Accounting policy for operating segments

Operating segments are presented using the 'management approach', where the information presented is on the same basis as the internal reports provided to the CODM. The CODM is responsible for the allocation of resources to operating segments and assessing their performance.

Note 5. Other income

	Consolidated 2020 $	Consolidated 2019 $
Research and development tax rebate	584,028	661,246

Accounting policy for other income

Research and development tax rebate
The group has adopted the income approach to accounting for research and development tax offsets pursuant to AASB 120 'Accounting for Government Grant and Disclosure of Government Assistance' whereby the incentive is recognised in profit or loss on a systematic basis over the periods in which the group recognises the eligible expenses.

The group expenses all research and development costs in the period in which they are incurred; no such costs are capitalised. Costs relate to the development of the group's proprietary technology.

Note 6. Expenses

	Consolidated 2020 $	Consolidated 2019 $
Loss before income tax includes the following specific expenses:		
Depreciation		
Leasehold improvements	32,895	29,035
Plant and equipment	722	722
Computer equipment	40,573	109,241
Furniture and fittings	35,153	30,714
Plant and equipment right-of-use assets	141,546	-
Total depreciation	250,889	169,712
Amortisation		
Software	1,585,083	1,253,310
Intellectual property	309,839	379,737
Total amortisation	1,894,922	1,633,047
Total depreciation and amortisation	2,145,811	1,802,759
Employee benefits		
Employee benefits expense excluding superannuation	3,357,796	3,092,943
Defined contribution superannuation expense	304,185	237,034
Total employee benefits	3,661,981	3,329,977
Finance costs		
Interest and finance charges paid/payable on borrowings to external parties	428,614	52,036
Interest and finance charges paid/payable on lease liabilities to external parties	53,004	-
Finance costs expensed	481,618	52,036
Leases		
Minimum lease payments	-	138,265

Note 6. Expenses (continued)

Accounting for finance costs
Finance costs are expensed in the period in which they are incurred.

Accounting for defined contribution superannuation payments
Contributions to defined contribution superannuation plans are expensed to profit or loss in the period in which they are incurred.

Accounting for government grants
Government grants relating to costs are deferred and recognised in profit or loss over the period necessary to match them with the costs that they are intended to compensate. During the year the company received payments from the Australian Government amounting to $50,000 as part of its 'Boosting Cash Flow for Employers' scheme in response to COVID-19, which have been netted off against employee benefits expense.

Note 7. Income tax benefit

	Consolidated 2020 $	Consolidated 2019 $
Income tax benefit		
Deferred tax - origination and reversal of temporary differences	(284,426)	(936,257)
Adjustment recognised for prior periods	-	(78,672)
Foreign tax paid	6,582	-
Aggregate income tax benefit	(277,844)	(1,014,929)
Deferred tax included in income tax benefit comprises:		
Increase in deferred tax assets (note 13)	(284,426)	(936,257)
Numerical reconciliation of income tax benefit and tax at the statutory rate		
Loss before income tax benefit	(2,418,395)	(4,619,686)
Tax at the statutory tax rate of 27.5%	(665,059)	(1,270,414)
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Share-based payments	243,382	26,270
Research and development tax incentive expenditure	208,606	236,187
Sundry items	(71,355)	71,700
	(284,426)	(936,257)
Adjustment recognised for prior periods	-	(78,672)
Difference in overseas tax rates	6,582	-
Income tax benefit	(277,844)	(1,014,929)

	Consolidated 2020 $	Consolidated 2019 $
Amounts credited directly to equity		
Deferred tax assets (note 13)	(480,801)	(84,894)

Accounting policy for income tax
Income tax for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by changes in deferred tax attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Note 7. Income tax benefit (continued)

Accounting policy for deferred tax
Deferred tax assets and liabilities are recognised for tax losses and temporary differences at the tax rates expected to apply when the assets are recovered or liabilities are settled, except for (i) when the deferred tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or (ii) when the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses. The carrying amount of recognised and unrecognised deferred tax assets are reviewed each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

Tax consolidated group
BetMakers Technology Group Ltd (the 'head entity') and its wholly-owned Australian subsidiaries have formed an income tax consolidated group ('tax group') under the tax consolidation regime. Each entity in the tax group continues to account for their own current and deferred tax amounts. The tax group has applied the 'group allocation' approach in determining the appropriate amount of taxes to allocate to group members. In addition to its own tax amounts, the head entity also recognises the tax arising from unused tax losses and tax credits assumed from each subsidiary in the tax group.

Assets or liabilities arising under tax funding agreements are recognised as amounts receivable from or payable to other entities in the tax group. The tax funding arrangement ensures that the intercompany charge equals the current tax liability or benefit of each tax group member, resulting in neither a contribution by the head entity to the subsidiaries nor a distribution by the subsidiaries to the head entity.

Note 8. Cash and cash equivalents

	Consolidated	
	2020 $	2019 $
Current assets		
Cash on hand	203	203
Cash at bank *	31,624,667	452,901
	31,624,870	453,104

* The significant increase corresponds to the capital raise on 16 June 2020 where the proceeds were approximately $35,000,000 (before fundraising costs). Refer to note 18 for further details.

Accounting policy for cash and cash equivalents
Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Note 9. Trade and other receivables

	Consolidated 2020 $	Consolidated 2019 $
Current assets		
Trade receivables	1,232,208	423,734
Other receivables	127,302	115,526
Research and development tax receivable	584,027	661,246
Rental bonds	56,184	40,419
	767,513	817,191
	1,999,721	1,240,925
Non-current assets		
Trade receivables	67,543	-
Employee Share Loan receivable (net of provision for doubtful debts)	771,664	512,192
	839,207	512,192
	2,838,928	1,753,117

Employee Share Loans were extended to select employees in March 2015 for the purpose of purchasing shares in OM Group Holdings (the parent entity prior to IPO). The loans are repayable upon receipt of dividends or sale of shares. The gross loan receivable amounted to $771,664, although a provision was raised of $259,472 as at 30 June 2019 as the share price (at $0.045 per share) did not support full recovery of the loan if the employees chose to sell their shares at that price.

As at 30 June 2020 the share price was $0.425 per share and hence the loan is now considered recoverable in full and the provision of $259,472 was reversed. There was no interest charged on these loans during the period.

Allowance for expected credit losses
The group has recognised a recovery of receivables in profit or loss for the year ended 30 June 2020 of $259,472 (2019: impairment of $598,304).

The group continues to closely monitor debt recovery whilst customers deal with the potential impacts of COVID-19. The group has maintained communication with all customers and is yet to see any material increase in delayed payments or customers inability to make payment. As such, the group has not revised the calculation of expected credit losses as at 30 June 2020.

Accounting policy for trade and other receivables
Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days.

The group has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

Note 10. Property, plant and equipment

	Consolidated 2020 $	Consolidated 2019 $
Non-current assets		
Leasehold improvements - at cost	166,881	150,362
Less: Accumulated depreciation	(118,694)	(85,800)
	48,187	64,562
Plant and equipment - at cost	4,888	4,888
Less: Accumulated depreciation	(2,888)	(2,166)
	2,000	2,722
Computer equipment - at cost	511,339	356,500
Less: Accumulated depreciation	(366,378)	(325,805)
	144,961	30,695
Furniture and fittings - at cost	161,008	147,005
Less: Accumulated depreciation	(120,660)	(85,636)
	40,348	61,369
	235,496	159,348

Reconciliations
Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

Consolidated	Leasehold improvements $	Plant and equipment $	Computer equipment $	Furniture and fittings $	Total $
Balance at 1 July 2018	87,958	3,444	130,076	84,559	306,037
Additions	5,639	-	10,800	10,360	26,799
Disposals	-	-	(940)	-	(940)
Exchange differences	-	-	-	(2,836)	(2,836)
Depreciation expense	(29,035)	(722)	(109,241)	(30,714)	(169,712)
Balance at 30 June 2019	64,562	2,722	30,695	61,369	159,348
Additions	16,473	-	154,839	11,312	182,624
Exchange differences	47	-	-	2,820	2,867
Depreciation expense	(32,895)	(722)	(40,573)	(35,153)	(109,343)
Balance at 30 June 2020	48,187	2,000	144,961	40,348	235,496

Accounting policy for property, plant and equipment
Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment over their expected useful lives as follows:

Leasehold improvements	under the lease term
Plant and equipment	5 years
Computer equipment	2.5 years
Furniture and fittings	5 years

Note 10. Property, plant and equipment (continued)

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

Leasehold improvements are depreciated over the unexpired period of the lease or the estimated useful life of the assets, whichever is shorter.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the group. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

Note 11. Right-of-use assets

	Consolidated	
	2020 $	2019 $
Non-current assets		
Plant and equipment - right-of-use	607,101	-
Less: Accumulated depreciation	(141,546)	-
	465,555	-

Additions to the right-of-use assets during the year were $385,673.

The group leases buildings for its offices of between 2 to 5 years with, in some cases, options to extend. The leases have various escalation clauses. On renewal, the terms of the leases are renegotiated.

The group leases photocopier office equipment. These leases are low-value, so have been expensed as incurred and not capitalised as right-of-use assets.

Accounting policy for right-of-use assets
A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the group expects to obtain ownership of the leased asset at the end of the lease term, the asset is depreciated over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The group has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

Note 12. Intangibles

	Consolidated 2020 $	Consolidated 2019 $
Non-current assets		
Goodwill - at cost	16,257,658	16,257,658
Less: Impairment	(1,802,453)	(1,802,453)
	14,455,205	14,455,205
Intellectual property - at cost	1,510,315	1,510,315
Less: Accumulated amortisation	(914,918)	(605,079)
	595,397	905,236
Software - at cost	7,859,859	7,519,859
Less: Accumulated amortisation	(2,838,393)	(1,253,310)
	5,021,466	6,266,549
	20,072,068	21,626,990

Reconciliations
Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

Consolidated	Goodwill $	Intellectual property $	Software* $	Total $
Balance at 1 July 2018	1,950,801	1,284,973	-	3,235,774
Additions through business combinations	12,504,404	-	7,519,859	20,024,263
Amortisation expense	-	(379,737)	(1,253,310)	(1,633,047)
Balance at 30 June 2019	14,455,205	905,236	6,266,549	21,626,990
Additions	-	-	340,000	340,000
Amortisation expense	-	(309,839)	(1,585,083)	(1,894,922)
Balance at 30 June 2020	14,455,205	595,397	5,021,466	20,072,068

* In the prior financial year, the company appointed Leadenhall Services Pty Ltd to perform a valuation of the software assets acquired in the DynamicOdds and GBS business combinations. The fair value of the software (as at acquisition date) disclosed above is the result of the Leadenhall valuation review. The software is being amortised over 5 years.

Impairment testing
Goodwill acquired through business combinations has been allocated to the following cash-generating units:

	Consolidated 2020 $	Consolidated 2019 $
Platforms and widgets	14,455,205	14,455,205

The recoverable amount of the group's goodwill has been determined by value-in-use calculations using discounted cash flow models, based on a one year projection period approved by management and extrapolated for a further four years using a steady growth rate, together with a terminal value.

Key assumptions are those to which the recoverable amount of an asset or cash-generating units is most sensitive.

Note 12. Intangibles (continued)

The following key assumptions were used in the discounted cash flow model for the content and integrity and wholesale wagering products divisions:
(a) 17.5% (2019:17.5%) pre-tax discount rate;
(b) terminal value of 4.5x previous year's Earnings, Before Interest, Tax, Depreciation and Amortisation ('EBITDA');
(c) over 10% (2019: 9.4%) per annum increase in employee benefits expense; and
(d) revenue growth in line with management's expectations.

The discount rate of 17.5% pre-tax reflects management's conservative estimate of the time value of money and the group's weighted average cost of capital adjusted for the risk free rate and the volatility of the share price relative to market movements.

The Board believes the projected revenue growth rate is prudent and justified, based on the combination of current growth rates and planned product introductions.

Sensitivity analysis
As disclosed in note 3, the directors have made judgements and estimates about the future in respect of impairment testing of goodwill. Should these judgements and estimates not occur as approximated, the resulting goodwill carrying amount may decrease. The sensitivities of the carrying value of goodwill to such judgements and estimates are as follows:

- Revenue generated by content services would need to decrease by 14% in the cash flow modelling before the goodwill in relation to the DynamicOdds and Global Betting Services acquisitions would become impaired, with all other assumptions remaining constant.

The Board believes that other reasonable changes in the key assumptions on which the recoverable amount of goodwill is based would not cause the recoverable amount to fall below the carrying amount.

Accounting policy for goodwill
Goodwill arises on the acquisition of a business. Goodwill is not amortised. Instead, goodwill is tested annually for impairment, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Impairment losses on goodwill are taken to profit or loss and are not subsequently reversed.

Intellectual property
Intellectual property primarily consists of the cost of acquiring the software code for the wholesale wagering business. Significant costs associated with the acquisition of additional intellectual property are deferred and amortised on a straight-line basis over the period of their expected benefit, being their finite life of five years.

Software
Significant costs associated with software are deferred and amortised on a straight-line basis over the period of their expected benefit, being their finite life of five years.

Accounting policy for impairment of other non-financial assets
Other non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

Note 13. Deferred tax

	Consolidated 2020 $	Consolidated 2019 $
Non-current assets		
Deferred tax asset comprises temporary differences attributable to:		
Amounts recognised in profit or loss:		
Tax losses	6,672,817	6,185,238
Property, plant and equipment	(12,149)	25,319
Accrued expenses	110,861	72,410
Superannuation	21,388	14,175
	6,792,917	6,297,142
Amounts recognised in equity:		
Transaction costs on share issue	502,097	232,645
Deferred tax asset	7,295,014	6,529,787
Movements:		
Opening balance	6,529,787	5,410,379
Credited to profit or loss (note 7)	284,426	936,257
Credited to equity (note 7)	480,801	84,894
Adjustment from prior year	-	98,257
Closing balance	7,295,014	6,529,787

Note 14. Trade and other payables

	Consolidated 2020 $	Consolidated 2019 $
Current liabilities		
Trade payables	620,239	503,709
Accrued expenses	558,712	342,023
Goods and services tax ('GST') payable	65,009	77,039
Other payables	40,091	232,289
	1,284,051	1,155,060

Refer to note 22 for further information on financial instruments.

Accounting policy for trade and other payables
These amounts represent liabilities for goods and services provided to the group prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Note 15. Lease liabilities

	Consolidated 2020 $	Consolidated 2019 $
Current liabilities		
Lease liability	112,727	-
Non-current liabilities		
Lease liability	350,214	-
	462,941	-

Refer to note 22 for information on the maturity analysis of lease liabilities.

Accounting policy for lease liabilities
A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the group's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

Note 16. Employee benefits

	Consolidated 2020 $	Consolidated 2019 $
Current liabilities		
Annual leave	265,778	179,240
Non-current liabilities		
Long service leave	137,354	84,063
	403,132	263,303

Amounts not expected to be settled within the next 12 months
The current provision for employee benefits includes all unconditional entitlements where employees have completed the required period of service and also those where employees are entitled to pro-rata payments in certain circumstances. The entire amount is presented as current, since the group does not have an unconditional right to defer settlement. However, based on past experience, the group does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months.

The following amounts reflect leave that is not expected to be taken within the next 12 months:

	Consolidated 2020 $	Consolidated 2019 $
Employee benefits obligation expected to be settled after 12 months	175,903	110,060

Note 16. Employee benefits (continued)

Accounting policy for short-term employee benefits
Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Other long-term employee benefits
The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on high quality corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Note 17. Other financial liabilities

	Consolidated	
	2020 $	2019 $
Current liabilities		
Earn-out provision	-	6,000,000
Lease make good	16,452	-
	16,452	6,000,000
Non-current liabilities		
Deferred consideration	-	4,000,000
Lease make good	25,021	-
	25,021	4,000,000
	41,473	10,000,000

Earn-out provision
The Earn-out provision at 30 June 2019 related to the Performance Payments attached to the DynamicOdds and Global Betting Services transactions. This liability was met on 31 October 2019 through the issuance of 41,095,890 shares, at a price of $0.146 per share, to the vendors of DynamicOdds and Global Betting Services.

Deferred consideration
The deferred consideration recognised at 30 June 2019 of $4,000,000 was repayable at any time prior to 30 June 2024. Post completion of the June capital raising the group made the decision to repay the outstanding balance in June 2020. This balance attracted 10% interest up until repayment.

Lease make good
The provision represents the present value of the estimated costs to make good the premises leased by the group at the end of the respective lease terms.

Note 17. Other financial liabilities (continued)

Movements in provisions
Movements in each class of provision during the current financial year, other than employee benefits, are set out below:

Consolidated - 2020	Earn-out provision $	Deferred consideration $	Lease make good $
Carrying amount at the start of the year	6,000,000	4,000,000	-
Additional provisions recognised	-	-	41,473
Payments	-	(4,000,000)	-
Payment through issue of shares	(6,000,000)	-	-
Carrying amount at the end of the year	-	-	41,473

Accounting policy for provisions
Provisions are recognised when the group has a present (legal or constructive) obligation as a result of a past event, it is probable the group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. If the time value of money is material, provisions are discounted using a current pre-tax rate specific to the liability. The increase in the provision resulting from the passage of time is recognised as a finance cost.

Note 18. Issued capital

	Consolidated			
	2020 Shares	2019 Shares	2020 $	2019 $
Ordinary shares - fully paid	568,539,998	413,489,993	84,943,067	42,417,857

Movements in ordinary share capital

Details	Date	Shares	Issue price	$
Balance	1 July 2018	168,205,929		32,484,366
Shares issued	1 August 2018	12,961,897	$0.080	1,036,952
Shares issued	22 August 2018	5,437,564	$0.080	435,005
Shares issued	3 September 2018	29,737,500	$0.080	2,379,000
Shares issued	10 September 2018	7,762,500	$0.080	621,000
Shares issued	7 May 2019	55,991,335	$0.030	1,679,740
Shares issued	3 June 2019	99,559,935	$0.030	2,986,798
Shares issued	6 June 2019	500,000	$0.030	15,000
Shares issued	28 June 2019	33,333,333	$0.030	1,000,000
Transaction costs		-	$0.000	(323,705)
Deferred tax credit recognised directly in equity (note 13)		-	$0.000	103,701
Balance	30 June 2019	413,489,993		42,417,857
Shares issued	31 October 2019	41,095,890	$0.146	6,000,000
Shares issued	7 November 2019	18,904,110	$0.146	2,760,000
Shares issued on exercise of options	13 February 2020	246,061	$0.030	7,500
Shares issued on exercise of options	13 February 2020	-	$0.000	25,275
Shares issued on exercise of options	28 February 2020	209,349	$0.000	-
Shares issued	16 June 2020	94,594,595	$0.370	35,000,000
Transaction costs		-	$0.000	(1,267,565)
Balance	30 June 2020	568,539,998		84,943,067

Note 18. Issued capital (continued)

Ordinary shares
Ordinary shares entitle the holder to participate in any dividends declared and any proceeds attributable to shareholders should the company be wound up, in proportions that consider both the number of shares held and the extent to which those shares are paid up. The fully paid ordinary shares have no par value and the company does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Share buy-back
There is no current on-market share buy-back.

Capital risk management
The group's objectives when managing capital is to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital.

Capital is regarded as total equity, as recognised in the statement of financial position, plus net debt. Net debt is calculated as total borrowings less cash and cash equivalents.

In order to maintain or adjust the capital structure, the group may raise additional capital, adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The group is not subject to any financing arrangements covenants.

The capital risk management policy remains unchanged from the 30 June 2019 Annual Report.

Accounting policy for issued capital
Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Note 19. Reserves

	Consolidated	
	2020 $	2019 $
Share-based payments reserve	1,573,392	713,641

Share-based payments reserve
The reserve is used to recognise the value of equity benefits provided to employees and directors as part of their remuneration, and other parties as part of their compensation for services.

Performance rights
On 28 January 2020, the company announced that it has signed conditional commercial agreements with the Waterhouse Group to build and operate new wagering products. As part of the commercial agreements that involve the Waterhouse Group providing ongoing services to the Managed Trading Services division and the launch of the tomwaterhouse.com betting application, the company agreed to issue performance rights (convertible into options) to Waterhouse VC. On 27 May 2020, upon receiving shareholder approval, the company issued Waterhouse VC 4 performance rights. Upon achieving revenue hurdles during the vesting period, the performance rights will convert to options. The maximum number of options which may be issued, in aggregate, on conversion of all performance rights is 94,741,686 options. All performance rights issued will have an exercise price of $0.18 per ordinary share.

Note 19. Reserves (continued)

Movements in reserves
Movements in the share premium reserve during the current and previous financial year are set out below:

Consolidated	Share-based payments $
Balance at 1 July 2018	1,449,763
Share-based payments	95,528
Share-based payments - cancelled options*	(831,650)
Balance at 30 June 2019	713,641
Share-based payments	885,026
Exercise of options	(25,275)
Balance at 30 June 2020	1,573,392

* Options that have expired or been cancelled pursuant to their terms and conditions. Such amounts are transferred to retained earnings.

Note 20. Accumulated losses

	Consolidated 2020 $	Consolidated 2019 $
Accumulated losses at the beginning of the financial year	(23,975,181)	(21,202,074)
Loss after income tax benefit for the year	(2,140,551)	(3,604,757)
Transfer from options reserve	-	831,650
Accumulated losses at the end of the financial year	(26,115,732)	(23,975,181)

Note 21. Dividends

There were no dividends paid, recommended or declared during the current or previous financial year.

Note 22. Financial instruments

Financial risk management objectives
The group's activities expose it to a variety of financial risks, particularly liquidity risk and wagering risk. The group's overall risk management program focuses on the unpredictability of wagering liabilities and liquidity.

Risk management is carried out by senior finance executives ('Finance') under policies approved by the Board of Directors ('the Board'). These policies include identification and analysis of the risk exposure of the group and appropriate procedures, controls and risk limits. Finance identifies and evaluates and hedges financial risks within the group's operating units. Finance reports to the Board on a monthly basis.

Market risk

Foreign currency risk
The group is not exposed to any significant foreign currency risk.

Price risk
The group is not exposed to any price risk.

Interest rate risk
The group is not exposed to any significant interest rate risk.

Note 22. Financial instruments (continued)

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the group. The maximum exposure to credit risk at the reporting date to recognised financial assets is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the statement of financial position and notes to the financial statements. The group does not hold any collateral.

Generally, trade receivables are written off when there is no reasonable expectation of recovery. Indicators of this include the failure of a debtor to engage in a repayment plan, no active enforcement activity and a failure to make contractual payments for a period greater than 1 year.

The group has adopted a lifetime expected loss allowance in estimating expected credit losses to trade receivables through the use of a provisions matrix using fixed rates of credit loss provisioning. These provisions are considered representative across all customers of the group based on recent sales experience, historical collection rates and forward-looking information that is available.

Liquidity risk

Vigilant liquidity risk management requires the group to maintain sufficient liquid assets (mainly cash and cash equivalents) and available borrowing facilities to be able to pay debts as and when they become due and payable. The group manages liquidity risk by maintaining adequate cash reserves, raising capital to fund growth and by monitoring actual and forecast cash flows and matching the maturity profiles of financial assets and liabilities.

Remaining contractual maturities

The following tables detail the group's remaining contractual maturity for its financial instrument liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid. The tables include both interest and principal cash flows disclosed as remaining contractual maturities and therefore these totals may differ from their carrying amount in the statement of financial position.

Consolidated - 2020	Weighted average interest rate %	1 year or less $	Between 1 and 2 years $	Between 2 and 5 years $	Over 5 years $	Remaining contractual maturities $
Non-derivatives						
Non-interest bearing						
Trade payables	-	620,239	-	-	-	620,239
Goods and services tax ('GST') payable	-	65,009	-	-	-	65,009
Other payables	-	40,091	-	-	-	40,091
Interest-bearing - variable						
Lease liability	10.00%	129,179	61,212	297,329	-	487,720
Total non-derivatives		854,518	61,212	297,329	-	1,213,059

Note 22. Financial instruments (continued)

Consolidated - 2019	Weighted average interest rate %	1 year or less $	Between 1 and 2 years $	Between 2 and 5 years $	Over 5 years $	Remaining contractual maturities $
Non-derivatives						
Non-interest bearing						
Trade payables	-	503,709	-	-	-	503,709
Goods and services tax ('GST') payable	-	77,039	-	-	-	77,039
Other payables	-	232,289	-	-	-	232,289
Earn-out provision	-	6,000,000	-	-	-	6,000,000
Interest-bearing - variable						
Deferred consideration	10.00%	-	-	4,000,000	-	4,000,000
Total non-derivatives		6,813,037	-	4,000,000	-	10,813,037

The cash flows in the maturity analysis above are not expected to occur significantly earlier than contractually disclosed above.

Note 23. Fair value measurement

Fair value hierarchy
The following tables detail the group's assets and liabilities, measured or disclosed at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being:

Level 1 Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date
Level 2 Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly
Level 3 Unobservable inputs for the asset or liability

Consolidated - 2019	Level 1 $	Level 2 $	Level 3 $	Total $
Liabilities				
Deferred consideration	-	-	4,000,000	4,000,000
Earn-out provision	-	-	6,000,000	6,000,000
Total liabilities	-	-	10,000,000	10,000,000

There were no transfers between levels during the financial year.

The carrying amounts of trade and other receivables and trade and other payables are assumed to approximate their fair values due to their short-term nature.

The fair value of financial liabilities is estimated by discounting the remaining contractual maturities at the current market interest rate that is available for similar financial liabilities.

Note 23. Fair value measurement (continued)

Level 3 assets and liabilities

Movements in level 3 assets and liabilities during the current and previous financial year are set out below:

Consolidated	Consideration for business $	Deferred consideration $	Earn-out provision $	Total $
Balance at 1 July 2018	(905,700)	-	-	(905,700)
Additions	-	(14,000,000)	-	(14,000,000)
Earn-out provision	-	-	(6,000,000)	(6,000,000)
Payments	905,700	9,000,000	-	9,905,700
Payments through issuing shares	-	1,000,000	-	1,000,000
Balance at 30 June 2019	-	(4,000,000)	(6,000,000)	(10,000,000)
Payments	-	4,000,000	-	4,000,000
Payments through issuing shares	-	-	6,000,000	6,000,000
Balance at 30 June 2020	-	-	-	-

Accounting policy for fair value measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Assets and liabilities measured at fair value are classified into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Classifications are reviewed at each reporting date and transfers between levels are determined based on a reassessment of the lowest level of input that is significant to the fair value measurement.

For recurring and non-recurring fair value measurements, external valuers may be used when internal expertise is either not available or when the valuation is deemed to be significant. External valuers are selected based on market knowledge and reputation. Where there is a significant change in fair value of an asset or liability from one period to another, an analysis is undertaken, which includes a verification of the major inputs applied in the latest valuation and a comparison, where applicable, with external sources of data.

Note 24. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by PKF(NS) Audit & Assurance Limited Partnership, the auditor of the company and its related entities:

	Consolidated	
	2020 $	2019 $
Audit services		
Audit or review of the financial statements	89,787	79,231
Other services		
Taxation services	-	24,500
Review of turnover certificate	-	9,500
	-	34,000
	89,787	113,231

Note 25. Contingent liabilities

As announced on 5 February 2020, the company signed an agreement to deliver and manage fixed odds horse racing into New Jersey along with the exclusive distribution of Monmouth Park racing content throughout other parts of the United States and internationally. The company will pay Monmouth park a fee equal to a percentage of the turnover of approved wagering operators in relation to the distribution of Monmouth data in the US domestic market. The company has guaranteed that a minimum of US$5.0 million in fees will be paid to Monmouth over the initial 5-year term of the agreement.

Note 26. Key management personnel disclosures

Compensation
The aggregate compensation made to directors and other members of KMP of the group is set out below:

	Consolidated	
	2020 $	2019 $
Short-term employee benefits	969,407	720,873
Post-employment benefits	90,550	62,621
Share-based payments	154,134	49,000
	1,214,091	832,494

Note 27. Related party transactions

Parent entity
BetMakers Technology Group Ltd is the parent entity.

Subsidiaries
Interests in subsidiaries are set out in note 29.

Key management personnel
Disclosures relating to key management personnel are set out in note 26 and the remuneration report included in the directors' report.

Transactions with related parties
There were no transactions with related parties during the current and previous financial year.

Note 27. Related party transactions (continued)

Receivable from and payable to related parties
There were no trade receivables from or trade payables to related parties at the current and previous reporting date.

Loans to/from related parties
The following balances are outstanding at the reporting date in relation to loans with related parties:

	Consolidated 2020 $	Consolidated 2019 $
Current receivables:		
Loan to key management personnel *	360,922	239,562

* As detailed in note 9, the group issued Employee Share Loans in March 2015. Those loans are repayable upon payment of a dividend or upon share sale. As at 30 June 2020, $360,922 (2019: $239,562) of share loans related to key management personnel.

Terms and conditions
All transactions were made on normal commercial terms and conditions and at market rates.

Note 28. Parent entity information

Set out below is the supplementary information about the parent entity.

Statement of profit or loss and other comprehensive income

	Parent 2020 $	Parent 2019 $
Loss after income tax	(25,437,481)	(3,627,052)
Total comprehensive income	(25,437,481)	(3,627,052)

Statement of financial position

	Parent 2020 $	Parent 2019 $
Total current assets	584,088	661,307
Total assets	27,829,988	16,882,508
Total current liabilities	-	3,000,000
Total liabilities	-	7,000,000
Equity		
Issued capital	84,943,067	42,417,857
Share-based payments reserve	1,573,392	713,641
Accumulated losses	(58,686,471)	(33,248,990)
Total equity	27,829,988	9,882,508

Guarantees entered into by the parent entity in relation to the debts of its subsidiaries
The parent entity had no guarantees in relation to the debts of its subsidiaries as at 30 June 2020.

Note 28. Parent entity information (continued)

In the prior year, the group had a Performance Payment payable to the vendors of Global Betting Services based on the Earnings Before Interest and Tax ("EBIT") performance for the initial 12 months of ownership. In addition to this, Global Betting Services was acquired by group subsidiary, BetMakers DNA Pty Ltd (via the acquisition of AETEG Holdings Pty Ltd which owns 100% of the shares in Global Betting Services Pty Ltd), and a Performance Payment liability of $3,000,000 was accrued within this entity at 30 June 2019. On 31 October 2019 the parent entity issued shares valued at $6,000,000 to meet its obligations with both entities.

Contingent liabilities
The parent entity had no contingent liabilities as at 30 June 2020 and 30 June 2019.

Capital commitments - Property, plant and equipment
The parent entity had no capital commitments for property, plant and equipment as at 30 June 2020 and 30 June 2019.

Significant accounting policies
The accounting policies of the parent entity are consistent with those of the group, as disclosed in note 2, except for the following:
- Investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity.
- Dividends received from subsidiaries are recognised as other income by the parent entity and its receipt may be an indicator of an impairment of the investment.

Note 29. Interests in subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 2:

Name	Principal place of business / Country of incorporation	Ownership interest 2020 %	2019 %
Operis Momentus Pty Ltd	Australia	100.00%	100.00%
12Follow Pty Ltd	Australia	100.00%	100.00%
OM IP Pty Ltd	Australia	100.00%	100.00%
OM Apps Pty Ltd	Australia	100.00%	100.00%
The Global Tote Australia Pty Limited	Australia	100.00%	100.00%
The Global Tote Limited	Alderney	100.00%	100.00%
Global Tote Lankan (PVT)	Sri Lanka	100.00%	100.00%
BetMakers DNA Pty Ltd	Australia	100.00%	100.00%
AETEG Holdings Pty Ltd	Australia	100.00%	100.00%
Global Betting Services Pty Ltd	Australia	100.00%	100.00%
DynamicOdds Pty Ltd	Australia	100.00%	100.00%
C.D.K. Software Limited	New Zealand	100.00%	100.00%
Managed Trading Services Pty Ltd	Australia	100.00%	-

Note 30. Reconciliation of loss after income tax to net cash used in operating activities

	Consolidated 2020 $	Consolidated 2019 $
Loss after income tax benefit for the year	(2,140,551)	(3,604,757)
Adjustments for:		
Depreciation and amortisation	2,145,811	1,802,759
Share-based payments	885,026	95,528
Foreign exchange differences	(2,867)	2,836
Finance costs - non-cash	106,823	-
Change in operating assets and liabilities:		
Decrease/(increase) in trade and other receivables	(1,085,811)	766,668
Increase in deferred tax assets	(765,227)	(1,015,707)
Decrease in prepayments	22,294	23,059
Decrease in trade and other payables	(327,290)	(1,941,709)
Increase in provision for income tax	479,339	30,353
Increase/(decrease) in employee benefits	139,829	(148,914)
Increase in other provisions	41,473	905,700
Net cash used in operating activities	(501,151)	(3,084,184)

Note 31. Changes in liabilities arising from financing activities

Consolidated	Lease liability $
Balance at 1 July 2018	-
Balance at 30 June 2019	-
Net cash used in financing activities	(158,082)
Acquisition of plant and equipment right-of-use by means of leases	607,101
Other changes	13,922
Balance at 30 June 2020	462,941

Note 32. Earnings per share

	Consolidated 2020 $	Consolidated 2019 $
Loss after income tax attributable to the owners of BetMakers Technology Group Ltd	(2,140,551)	(3,604,757)
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	457,169,645	231,888,382
Weighted average number of ordinary shares used in calculating diluted earnings per share	457,169,645	231,888,382
	Cents	Cents
Basic earnings per share	(0.47)	(1.55)
Diluted earnings per share	(0.47)	(1.55)

Note 32. Earnings per share (continued)

63,396,681 options over ordinary shares are not included in the calculation of diluted earnings per share because they are anti-dilutive for the year ended 30 June 2020. These options could potentially dilute basic earnings per share in the future.

Accounting policy for earnings per share

Basic earnings per share
Basic earnings per share is calculated by dividing the profit attributable to the owners of BetMakers Technology Group Ltd, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the financial year.

Diluted earnings per share
Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

Note 33. Share-based payments

The long-term incentives plan ('LTIP') program has been established by the group. Subject to the ASX listing rules and under the terms of the LTIP, the Board may grant options and/or performance rights (options with a zero exercise price) to eligible participants ('awards'). Each award granted represents a right to receive one share once the award vests and is exercised by the relevant participant.

Set out below are summaries of options granted:

2020

Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
12/11/2015	21/06/2022	$0.060	16,667,000	-	-	-	16,667,000
03/07/2017	31/10/2020	$0.300	1,954,681	-	-	-	1,954,681
03/07/2017	31/10/2020	$0.300	1,000,000	-	-	-	1,000,000
17/09/2018	30/11/2020	$0.120	4,000,000	-	-	-	4,000,000
28/06/2019	27/06/2022	$0.060	10,000,000	-	-	-	10,000,000
09/12/2019	01/07/2022	$0.060	-	10,000,000	-	-	10,000,000
29/08/2019	31/12/2022	$0.060	-	19,800,000	(400,000)	-	19,400,000
10/10/2019	31/12/2022	$0.060	-	250,000	(125,000)	-	125,000
14/01/2020	30/06/2022	$0.130	-	250,000	-	-	250,000
			33,621,681	30,300,000	(525,000)	-	63,396,681

2019

Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
12/11/2015	12/11/2018	$0.200	4,750,000	-	-	(4,750,000)	-
12/11/2015	12/11/2018	$0.200	5,000,000	-	-	(5,000,000)	-
12/11/2015	21/06/2022	$0.060	16,667,000	-	-	-	16,667,000
28/07/2016	21/03/2019	$0.250	2,000,000	-	-	(2,000,000)	-
30/11/2016	30/11/2019	$0.300	1,000,000	-	-	(1,000,000)	-
30/11/2016	30/11/2019	$0.250	3,000,000	-	-	(3,000,000)	-
03/07/2017	31/10/2020	$0.300	1,954,681	-	-	-	1,954,681
03/07/2017	31/10/2020	$0.300	1,000,000	-	-	-	1,000,000
17/09/2018	30/11/2020	$0.120	-	4,000,000	-	-	4,000,000
28/06/2019	27/06/2022	$0.060	-	10,000,000	-	-	10,000,000
			35,371,681	14,000,000	-	(15,750,000)	33,621,681

Note 33. Share-based payments (continued)

* The terms of the 16,667,000 options issued on 12/11/2015 were amended on 21/06/2019. Amendments included adjusting the Expiry Date from 12/11/2020 to 21/06/2022, and adjusting the Exercise Price from $0.25 to $0.06. These changes have been reflected above.

Shares are granted under the Long Term Incentive Plan (LTIP), which has been established by the group. Subject to the ASX listing rules and under the terms of the LTIP, the Board may grant options and/or performance rights (options with a zero exercise price) to eligible participants (‘awards’). Each award granted represents a right to receive one share once the award vests and is exercised by the relevant participant.

Set out below are the options exercisable at the end of the financial year:

Grant date	Expiry date	2020 Number	2019 Number
21/06/2019	21/06/2022	16,667,000	-
03/07/2017	31/10/2020	586,404	293,202
03/07/2017	31/10/2020	175,000	100,000
17/09/2018	30/11/2020	4,000,000	4,000,000
28/06/2019	27/06/2022	10,000,000	10,000,000
09/12/2019	01/07/2022	10,000,000	-
29/08/2019	31/12/2022	15,900,000	-
		57,328,404	14,393,202

The weighted average share price of options exercised during the reporting period was $0.076 (2019: $0.089).

The weighted average remaining contractual life of options outstanding at the end of the financial year was 1.97 years (2019: 2.65 years).

Performance rights
On 28 January 2020, the company announced that it has signed conditional commercial agreements with the Waterhouse Group to build and operate new wagering products. As part of the commercial agreements that involve the Waterhouse Group providing ongoing services to the Managed Trading Services division and the launch of the tomwaterhouse.com betting application, the company agreed to issue performance rights (convertible into options) to Waterhouse VC. On 27 May 2020, upon receiving shareholder approval, the company issued Waterhouse VC 4 performance rights.

Set out below are summaries of performance rights granted:

2020

Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
27/05/2020	25/07/2021	$0.180	-	1	-	-	1
27/05/2020	25/01/2022	$0.180	-	1	-	-	1
27/05/2020	25/07/2022	$0.180	-	1	-	-	1
27/05/2020	25/01/2023	$0.180	-	1	-	-	1
			-	4	-	-	4

The share-based payment expense for the performance rights granted during the year was recognised in profit or loss of $310,695.

The weighted average remaining contractual life of performance rights outstanding at the end of the financial year was 3 years.

Note 33. Share-based payments (continued)

For the options and performance rights granted during the current financial year, the valuation model inputs used to determine the fair value at the grant date, are as follows:

Grant date	Expiry date	Share price at grant date	Exercise price	Expected volatility	Dividend yield	Risk-free interest rate	Fair value at grant date
09/12/2019	01/07/2022	$0.140	$0.060	80.00%	-	0.54%	$0.0960
10/10/2019	31/12/2022	$0.170	$0.060	80.00%	-	0.63%	$0.1210
29/08/2019	31/12/2022	$0.073	$0.060	80.00%	-	0.72%	$0.0280
27/05/2020	25/07/2021	$0.330	$0.180	85.00%	-	0.26%	$0.2070
27/05/2020	25/01/2022	$0.330	$0.180	85.00%	-	0.26%	$0.2160
27/05/2020	25/07/2022	$0.330	$0.180	85.00%	-	0.26%	$0.2250
27/05/2020	25/01/2023	$0.330	$0.180	85.00%	-	0.26%	$0.2330

Accounting policy for share-based payments
Equity-settled share-based compensation benefits are provided to employees and advisers. Equity-settled transactions are awards of shares, or options over shares, that are provided to employees in exchange for the rendering of services and to others as part of their compensation for services.

The cost of equity-settled transactions are measured at fair value on grant date. Fair value is independently determined for each option granted using either the Binomial or Black-Scholes option pricing model, as appropriate, that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option, together with non-vesting conditions that do not determine whether the group receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions.

The cost of equity-settled transactions are recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

Market conditions are taken into consideration in determining fair value. Therefore any awards subject to market conditions are considered to vest irrespective of whether or not that market condition has been met, provided all other conditions are satisfied.

If equity-settled awards are modified, as a minimum an expense is recognised as if the modification has not been made. An additional expense is recognised, over the remaining vesting period, for any modification that increases the total fair value of the share-based compensation benefit as at the date of modification.

If the non-vesting condition is within the control of the group or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the group or employee and is not satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited.

If equity-settled awards are cancelled, it is treated as if it has vested on the date of cancellation, and any remaining expense is recognised immediately. If a new replacement award is substituted for the cancelled award, the cancelled and new award is treated as if they were a modification.

Note 34. Events after the reporting period

Whilst the impact of COVID-19 is ongoing, it has had minimal financial impact on the group up to 30 June 2020, and it is not practicable to estimate the potential impact, positive or negative, after the reporting date. COVID-19 has already had a significant impact on global racing with the temporary suspension of many racing jurisdictions. As long as some global racing continues at any point in time, the group will have a role to play in providing wagering operators a service.

No other matter or circumstance has arisen since 30 June 2020 that has significantly affected, or may significantly affect the group's operations, the results of those operations, or the group's state of affairs in future financial years.

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;

- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 2 to the financial statements;

- the attached financial statements and notes give a true and fair view of the group's financial position as at 30 June 2020 and of its performance for the financial year ended on that date; and

- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

The directors have been given the declarations required by section 295A of the Corporations Act 2001.

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the directors

Nicholas Chan
Chairman

Todd Buckingham
Director

25 August 2020
Sydney

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF BETMAKERS TECHNOLOGY GROUP LIMITED (FORMERLY KNOWN AS THE BETMAKERS HOLDINGS LIMITED)

Report on the Audit of the Financial Report

Opinion

We have audited the accompanying financial report of BetMakers Technology Group Limited (the Group), which comprises the consolidated statement of financial position as at 30 June 2020, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the Company and the consolidated entity comprising the company and the entities it controlled at the year end or from time to time during the financial year.

In our opinion, the financial report of BetMakers Technology Group Limited is in accordance with the Corporations Act 2001, including:

i) Giving a true and fair view of the consolidated entity's financial position as at 30 June 2020 and of its performance for the year ended on that date; and

ii) Complying with Australian Accounting Standards and the Corporations Regulations 2001.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the consolidated entity in accordance with the auditor independence requirements of the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards) (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

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Key Audit Matters (cont'd)

1. Impairment testing of goodwill and other intangible assets

Why significant	How our audit addressed the key audit matter
As disclosed in Note 12, the Group has goodwill and other intangible assets of $20.1m as at 30 June 2020 (2019: $21.6m). At the end of each reporting period, the Group is required to determine whether there is any indication that the intangible assets are impaired under AASB 136 Impairment of Assets. An asset is considered impaired if its carrying value is greater than its recoverable amount. The Group uses the "value-in-use" methodology in determining the recoverable amount which measures the present value of future cashflows expected to be derived from these assets. The evaluation of the recoverable amount requires the Group to exercise significant judgment, which include: • 5-year cash flow forecast; • Terminal growth factor; and • Discount rate. The outcome of the impairment assessment could vary if different assumptions were applied. As a result, the evaluation of the recoverable amount of goodwill and other intangible assets is a Key Audit Matter.	As part of our procedures we assessed the Group's determination of Cash Generating Units (CGUs). Our procedures included but were not limited to assessing and challenging: • the reasonableness of the FY21 budget approved by the Board by comparing the budget to FY20 actuals and other financial information; • the key assumptions for long term growth in the forecast cash flows by comparing them to historical results and industry forecasts; • the discount rate applied by comparing the Weighted Average Cost of Capital to industry benchmarks; • on a sample basis, the mathematical accuracy of the cash flow models; • management's sensitivity analysis in relation to key assumptions including discount rate, growth rate and terminal value; • the appropriateness of the disclosures including those relating to sensitivities in the assumptions used, included in Note 12; and • the expected utilisation of the software and intellectual property acquired and their useful lives for amortisation purposes.

Key Audit Matters (cont'd)

2. Recognition and Valuation of Deferred Tax Assets

Why significant	How our audit addressed the key audit matter
As disclosed in Note 13 of the financial report, at 30 June 2020 the Group has recorded a deferred tax asset of $7.3m (2019: $6.5m) relating to deductible temporary differences and tax losses incurred. As noted in Note 3 of the financial report, deferred tax assets are only recognised if the Group considers it probable that: • future taxable income will be generated to utilise these temporary differences and losses; and the • company continues to meet the Same Business Test and Similar Business Test rules as applicable. Significant judgement is required in: • forecasting future taxable income; and • estimating the tax rates expected to apply when the assets are recovered. Based on the above, we have considered the recognition and valuation of deferred tax assets to be a Key Audit Matter.	We have assessed and challenged management's judgements relating to the Group's forecasts and the ability to generate future taxable income, and also the recognition criteria under AASB 112. Our procedures included but were not limited to: • the reasonableness of key assumptions used in the forecasts with respect to income and expenditure and future taxable income; • testing, on a sample basis, the mathematical accuracy of the cash flow models; and • reviewing the nature of the deferred tax asset (i.e. temporary differences or revenue / capital losses) and its probability of being realised in accordance with the carried forward tests. • Assessing the reasonableness of the tax rates to apply when the assets are expected to be recovered. We have also assessed the appropriateness of the disclosures included in Note 13 in respect of the deferred tax balances.

Key Audit Matters (cont'd)

3. Adoption of new accounting standard – AASB 16 Leases

Why significant	How our audit addressed the key audit matter
The Group adopted AASB 16 Leases with effect from 1 July 2019, which resulted in changes to the accounting policies. The Group has elected to use the modified retrospective approach and as such not to restate comparative information as permitted by the transitional provisions contained within AASB 16. The impact of AASB 16 is a change in accounting policy for operating leases. This change in accounting policy results in Right-of-use Asset and Lease Liabilities of $306,000 being recognised in the Statement of Financial Position at adoption date. The net present value of the Right-of-use Assets and Lease Liabilities could vary depending on the estimates used in determining the lease make good provision, the lease term and the incremental borrowing rate. As a result, the judgements which have been applied and the estimates made in determining the impact of AASB 16, this area is considered a Key Audit Matter.	Our procedures included, but were not limited to, the following: • obtained an understanding of the Group's adoption of AASB 16 and assessed the design and implementation of the key controls relating to the determination of the AASB 16 transition impact disclosure; • we assessed the discount rates applied in determining the lease liabilities; • we assessed the accuracy of the Right-of-use Asset and Lease Liabilities by testing the lease data captured by management for a sample of leases through the inspection of lease documentation both on the date of adoption as well as the reporting date; • we assessed the lease term used and whether it is enforceable in accordance with AASB 16; • considered the completeness of the lease data by testing the reconciliation of the Company's lease liability to operating lease commitments disclosed in the 2019 financial report and by considering if we had knowledge of any other contracts which may contain a lease; • assessed the key judgements applied and estimates made by management; and • determined if the disclosures made in the financial report pertaining to leases, including disclosures relating to the transition to AASB 16, were in compliance with the requirements of the Standard.

4. Issuances of Equity

Why significant	How our audit addressed the key audit matter
The Group undertook a series of material equity issuances during the current financial year as outlined in Note 18, with approximately 155 million shares being issued during the year and issued capital increasing from $42.4m as at 30 June 2019 to $84.9m as at 30 June 2020. The proceeds of these issuances were used to repay debt and raise capital, which had a significant impact on the Group's statement of financial position when compared to the prior balance date. Based on the above, we have considered the accounting for the equity issuances to be a Key Audit Matter.	Our procedures included, but were not limited to, the following: • ensuring the correct number of shares were issued; • tracing the receipt of the capital raising into the Group's bank accounts or ensuring the settlement of debt in exchange for the equity issuances; • ensuring the validity and accuracy of the transaction costs incurred from the capital raising; • ensuring the capital raising costs were correctly applied against the proceeds from the capital raising; • ensuring the correct tax treatment of capital raising costs. We have also assessed the appropriateness of the disclosures included in Note 18 in respect of the equity issuances.

Other Information

Other information is financial and non-financial information in the annual report of the Group which is provided in addition to the Financial Report and the Auditor's Report. The directors are responsible for Other Information in the annual report.

The Other Information we obtained prior to the date of this Auditor's Report was the Director's report. The remaining Other Information is expected to be made available to us after the date of the Auditor's Report.

Our opinion on the Financial Report does not cover the Other Information and, accordingly, the auditor does not and will not express an audit opinion or any form of assurance conclusion thereon, with the exception of the Remuneration Report.

In connection with our audit of the Financial Report, our responsibility is to read the Other Information. In doing so, we consider whether the Other Information is materially inconsistent with the Financial Report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We are required to report if we conclude that there is a material misstatement of this Other Information in the Financial Report and based on the work we have performed on the Other Information that we obtained prior the date of this Auditor's Report we have nothing to report.

Directors' Responsibilities for the Financial Report

The Directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal control as the Directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Directors are responsible for assessing the consolidated entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the consolidated entity or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue and auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individual or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

Auditor’s Responsibilities for the Audit of the Financial Report (cont’d)

As part of an audit in accordance with Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the consolidated entity’s internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and other related disclosures made by the Directors.

- Conclude on the appropriateness of the Directors’ use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the consolidated entity’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the consolidated entity to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the consolidated entity to express an opinion on the group financial report. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor’s report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Remuneration Report

Opinion

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2020.

In our opinion, the Remuneration Report of BetMakers Technology Group Limited for the year ended 30 June 2020, complies with section 300A of the Corporations Act 2001.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the Corporations Act 2001. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

PKF

PKF

M Matthews

MARTIN MATTHEWS
PARTNER

25 AUGUST 2020
NEWCASTLE, NSW

The shareholder information set out below was applicable as at 29 July 2020.

Distribution of equitable securities

Analysis of number of equitable security holders by size of holding:

	Number of holders of ordinary shares	Number of holders of options over ordinary shares	Number of holders of performance rights over ordinary shares
1 to 1,000	105	-	1
1,001 to 5,000	916	-	-
5,001 to 10,000	456	-	-
10,001 to 100,000	1,221	3	-
100,001 and over	380	19	-
	3,078	22	1
Holding less than a marketable parcel	139	-	-

Equity security holders

Twenty largest quoted equity security holders

The names of the twenty largest security holders of quoted equity securities are listed below:

	Ordinary shares	
	Number held	% of total shares issued
Tekkorp Holdings LLC	114,706,110	20.18
J P Morgan Nominees Australia Pty Limited	27,138,508	4.77
National Nominees Limited	26,158,990	4.60
Christopher Robert Begg	26,039,039	4.58
HSBC Custody Nominees (Australia) Limited	22,673,910	3.99
Aeteg Pty Ltd (Aeteg Family A/C)	20,547,945	3.61
Citicorp Nominees Pty Limited	19,170,806	3.37
HSBC Custody Nominees (Australia) Limited – A/C 2	18,418,407	3.24
Mr Karl Alexander Begg	16,200,382	2.85
RBW Nominees Pty Ltd (RBW Discretionary A/C)	15,995,366	2.81
CS Third Nominees Pty Limited (HSBC Cust Nom AU Ltd 13 A/C)	9,356,591	1.65
18 Knot Ventures Pty Ltd (Green Arrows A/C)	6,701,609	1.18
Edinburgh Park Stud Pty Ltd	6,405,000	1.13
Mr Paul Tomlin	6,013,357	1.06
BNP Paribas Noms Pty Ltd (DRP)	4,806,353	0.85
Brispot Nominees Pty Ltd (House Head Nominee A/C)	4,670,911	0.82
PG Binet Pty Ltd	4,554,459	0.80
RBW Super Nominees Pty Ltd (RBW Retirement Fund A/C)	4,000,000	0.70
Future Land Limited	3,600,000	0.63
BNP Paribas Nominees Pty Ltd HUB24 Custodial Serv Ltd (DRP A/C)	3,553,655	0.63
	360,711,398	63.45

Unquoted equity securities

	Number on issue	Number of holders
Unlisted Options expiring 21 June 2022 with strike price at $0.060	16,667,000	1
Unlisted Options expiring 31 October 2020 with strike price at $0.2931	761,404	5
Unlisted Options expiring 30 November 2020 with strike price at $0.1221	4,000,000	1
Unlisted Options expiring 27 June 2022 with strike price at $0.060	10,000,000	2
Unlisted Options expiring 1 July 2022 with strike price at $0.060	10,000,000	2
Unlisted Options expiring 30 June 2022 with strike price at $0.130	250,000	1
Unlisted Options expiring 31 December 2022 with strike price at $0.060	18,525,000	14

Substantial holders

The following holders are registered by the company as a substantial holder, having declared a relevant interest in accordance with the Corporations Act 2001, in the voting shares below:

	Ordinary shares	
	Number held *	% of total shares issued **
Tekkorp Holdings LLC	99,996,649	17.59
Ellerston Capital Limited	29,842,485	5.25

* As disclosed in the last notice lodged with the ASX by the substantial shareholder

** The percentage set out in the notice lodged with the ASX is based on the total issued capital of the Company at the date of interest.

	Options over ordinary shares	
	Number held	% of total options issued
Todd Cameron Buckingham	16,667,000	-
CG Nominees (Australia) Pty Ltd	13,000,000	-

Voting rights

Ordinary shares

Subject to any rights or restrictions for the time being attached to any class or classes at general meetings of shareholders or classes of shareholders:

(a) each shareholder is entitled to vote and may vote in person or by proxy, attorney or representative;

(b) on a show of hands, every person present who is a shareholder or a proxy, attorney or representative of a shareholder has one vote; and

(c) on a poll, every person present who is a shareholder or a proxy, attorney or representative of a shareholder shall, in respect of each fully paid share held, or in respect of which he/she has appointed a proxy, attorney or representative, is entitled to one vote per share held.

Options

Options do not carry any voting rights.

Performance rights

Performance rights do not carry any voting rights.

Share Buy-Backs

There is no current on-market buy-back scheme.